

1. AARP REPORT: "Caught in the NET: A Survey of Raleigh-Durham Area Residents 40+ About Online Use and Safety," by Jennifer H. Sauer (October 2006, .pdf format, 22p.).

http://www.aarp.org/research/technology/onlineprivacy/nc_rd_cyber_2006.html

2. BOSTON COLLEGE CENTER FOR RETIREMENT RESEARCH ISSUE BRIEF: "What Happens to Household Portfolios After Retirement?" by Courtney Coile and Kevin Milligan (IB #56, November 2006, .pdf format, 6p.). Links to an abstract and full text are available at:

http://www.bc.edu/centers/crr/ib_56.shtml

3. FAMILIY CAREGIVER ALLIANCE REPORT: " Estimated Prevalence and Economic Value of Family Caregiving, by State" (November 2006, .pdf format 3p.).

http://caregiver.org/caregiver/jsp/content_node.jsp?nodeid=1805

Click "HERE" for link to full text.

More information on FCA: http://caregiver.org/caregiver/jsp/content_node.jsp?nodeid=349

4. UNIVERSITY OF MICHIGAN RETIREMENT RESEARCH CENTER: "Retirement Savings Portfolio Management," by Jeff Dominitz and Angela Hung (WP 2006-138, November 2006, .pdf format, 32p.). Links to an abstract and full text are available at:

http://www.mrrc.isr.umich.edu/publications/index_abstract.cfm?ptid=1&pid=459

5. PENSION RESEARCH COUNCIL, WHARTON SCHOOL, UNIVERSITY OF PENNSYLVANIA: Note: Free registration is required in order to obtain working papers. "A Tale of Two Pension Reforms: A US-Japan Comparison," by Elmer Huh and Sarah McLellan (WP2007-1, January 2007, .pdf format, 19p.).

Links to an abstract and full text are available at:

<http://www.pensionresearchcouncil.org/publications/document.php?file=280>

6. "The retirement plan Uncle Sam has right: Hard to believe but true: The government offers employees a great plan, and you'd do well to emulate it," by Walter Updegrave (www.CNNMoney.com ,Nov.22,2006).

http://money.cnn.com/magazines/moneymag/moneymag_archive/2006/12/01/8395180/?postversion=2006112211

7. UK DEPARTMENT FOR WORK AND PENSIONS REPORT: "Employer attitudes to personal accounts: Report of a quantitative survey," by Keith Bolling, Catherine Grant, Alice Fitzpatrick and Matthew Sexton (Research Report 397, 2006, .pdf format, 186p.).

<http://www.dwp.gov.uk/asd/asd5/rports2005-2006/rrep397.pdf>

8. KAISER FAMILY FOUNDATION ISSUE BRIEF: "Medicaid's Long-Term Care Beneficiaries: An Analysis of Spending Patterns," by Anna Sommers, Mindy Cohen, and Molly O'Malley (November 2006, .pdf format, 33p.). <http://www.kff.org/medicaid/7576.cfm>

9. AARP GLOBAL AGING PROGRAM REPORT:

A. "AARP European Leadership Study: European Experiences with Health Care Cost Containment," (October 2006, .pdf format, 23p.). http://assets.aarp.org/www.aarp.org/_cs/gap/ldrstudy_costcontain.pdf

B. "AARP European Leadership Study: European Experiences with Health Information," (October 2006, .pdf format, 23p.). http://assets.aarp.org/www.aarp.org/_cs/gap/ldrstudy_healthit.pdf

C. "AARP European Leadership Study: European Experiences with Long-Term Care," (October 2006, .pdf format, 34p.). http://assets.aarp.org/www.aarp.org/_cs/gap/ldrstudy_longterm.pdf

D. "AARP European Leadership Study: European Experiences with Prescription Drug Pricing," (October 2006, .pdf format, 26p.). http://assets.aarp.org/www.aarp.org/_cs/gap/ldrstudy_prescdrugs.pdf

10. "The Effect of Subjective Survival Probabilities on Retirement and Wealth in the United States," by David E. Bloom, David Canning, Michael Moore, and Younghwan Song (w12688, November 2006, .pdf format, 43p.). Abstract: We explore the proposition that expected longevity affects retirement decisions and accumulated wealth using micro data drawn from the Health and Retirement Study for the United States. We use data on a person's subjective probability of survival to age 75 as a proxy for their prospective lifespan. In order to control for the presence of measurement error and focal points in responses, as well as reverse causality, we instrument subjective survival probabilities using information on

current age, or age at death, of the respondent's parents. Our estimates indicate that increased subjective probabilities of survival result in increased household wealth among couples, with no effect on the length of the working life. These findings are consistent with the view that retirement decisions are driven by institutional constraints and incentives and that a longer expected lifespan leads to increased wealth accumulation. <http://papers.nber.org/papers/W12688>

C. "Americans' Dependency on Social Security," by Laurence J. Kotlikoff, Ben Marx, and Pietro Rizza (w12696, November 2006, .pdf format, 44p.). Abstract: This paper determines the standard of living reductions that young, middle aged, and older households would experience were the U.S. government to cut Social Security benefits (but not taxes) to deal with its well documented (see Gokhale and Smetters, 2005) long-term fiscal crisis. To determine pre- and post-retirement living standards in the absence and presence of Social Security benefit cuts the paper relies on ESPlanner, a financial planning software program. ESPlanner calculates a household's highest sustainable living standard taking into account the household's economic resources including its claims to future Social Security benefits. The program also incorporates borrowing/liquidity constraints that limit households' abilities to smooth their living standards over their life cycles. The analysis considers both stylized single and married households of different ages and resource levels as well as actual households sampled from the 2004 Federal Reserve Survey of Consumer Finances (SCF). The extent of current and future living standard reductions in response to announcements of future Social Security benefit cuts depends critically on the age of the household, when the cuts are announced, the size of the cuts, the income of the household, and the degree to which the household is liquidity constrained. For our stylized households on the brink of retirement the complete elimination of Social Security benefits would entail retirement living standards reductions ranging from roughly one third to one hundred percent depending on the household's income. Our SCF findings also point to a strong dependency on Social Security. Indeed, 41 percent of older SCF couples and 33 percent of SCF singles would experience a living standard reduction of 90 percent or more were Social Security benefits eliminated. A surprising finding is the major dependency of very high-income households on Social Security. Take the highest earning couple in our stylized sample. This couple earns \$500,000 per year from age 30 through age 64 when it retires. It enters retirement with over \$2.3 million in assets. But given the length of its potential retirement, the modest real return it can safely earn on its assets, its off-the-top housing expenses, and its tax payments, this household is highly dependent on Social Security benefits, notwithstanding their taxable status. Indeed, were this household denied all its Social Security benefits on the eve of its retirement, it would suffer a 35.6 percent reduction in its living standard throughout retirement. <http://papers.nber.org/papers/W12696>

D. "Bequest and Tax Planning: Evidence From Estate Tax Returns," by Wojciech Kopczuk (w12701, November 2006, .pdf format, 42p.). Abstract: I study bequest and wealth accumulation behavior of the wealthy (subject to the estate tax) shortly before death. The onset of a terminal illness leads to a very significant reduction in the value of estates reported on tax returns – 15 to 20% with illness lasting "months to years" and about 5 to 10% in case of illness reported as lasting "days to weeks". I provide evidence suggesting that these findings cannot be explained by real shocks to net worth such as due to medical expenses or lost income, but instead reflect "deathbed" estate planning. The results suggest that wealthy individuals actively care about disposition of their estates, but that this preference is dominated by the desire to hold on to their wealth while alive. <http://papers.nber.org/papers/W12701>

11. POPULATION COUNCIL: "Poverty, wealth inequality, and health among older adults in rural Cambodia," by Zachary Zimmer (Policy Research Division Working Paper no. 217, November 2006, .pdf format, 23p.). Links to the abstract and full-text can be found: <http://www.popcouncil.org/publications/wp/prd/217.html>

12. LUXEMBOURG INCOME STUDY: "Widowhood Later in Life in Japan: Considering Social Security System in the Aging Society," by Sawako Shirahase (Working Paper No. 444, August 2006, .pdf format, 27p.). Abstract: The purpose of this study is to examine the relationship between the change in the household structure following the birthrate decline and the aging population and the economic well-being among the elderly. This study consists of three major parts. In the first part, the change in economic well-being of the elderly living alone in Japan was examined from the mid-1980s, to the beginning of the twenty-first century. In the second part, I compared the extent of economic inequality for the elderly living alone at the beginning of the 21st century with that in other industrial nations. The nations which are compared with Japan in this study are Germany, Italy, Sweden, Taiwan, the United Kingdom, and the U.S. In the final part, focusing on the elderly who are under the long-term care, I examined how much personal networks and personal resources are utilized in receiving the long-term care among the elderly living in different types of household structure. In the households whose head is 65 years old and over, the

degree of economic inequality has declined, but the economic inequality in the household with the elderly is still larger than that of households without the elderly. And although the rate of low-income households with the elderly has improved since the 1980s, the situation where female single-only household of the elderly in particular are at high economic risk has not largely changed. An important finding that emerged from the international comparison analysis is that the economic situation of the households with the elderly in Japan was similar to that in the U.S. and the U.K. The result in which the economic situation of the Japanese elderly is similar to that of countries of liberal welfare states suggest important clues in the future study of the welfare state. As far as our results are concerned, we are becoming similar to countries where the extent of economic inequality is quite high. Finally, we discussed personal network that the elderly who require long-term care possessed. In determining the size of personal network, the type of household to which elderly belong and their socio-economic status are important. For the female elderly living alone, neighbors are important resources as support network. On the other hand, personal network of the male elderly tends to be concentrated in their family, particularly their spouse.

<http://www.lisproject.org/publications/liswps/444.pdf>

13. LUXEMBOURG WEALTH STUDY:

A. "Older Women's Income and Wealth Packages: The Five-Legged Stool in Cross-National Perspective, by Janet C. Gornick, Teresa Munzi, Eva Sierminska and Timothy M. Smeeding (Working Paper No. 3, November 2006, .pdf format, 37p.). Abstract: In this chapter, we analyze the economic well-being of older women in cross-national perspective, comparing the United States with four other high-income countries: the United Kingdom, Germany, Italy and Sweden. These countries constitute an illuminating group; although all operate at similar levels of economic development, their employment, income, and wealth outcomes vary widely. We report some of the first findings based on micro-data from a new source, the Luxembourg Wealth Study (LWS). LWS, a project within the larger Luxembourg Income Study (LIS), is a database containing harmonized wealth datasets from a number of industrialized countries. Using the LWS data, we analyze the income and wealth packages held by women, age 60 and older, across these five countries. The income and wealth results from the LWS data are supplemented by findings on older adults' employment patterns, using the longstanding LIS income micro-datasets. Throughout this chapter, we invoke the metaphor of the four-legged stool, which is often used to refer to the multiple income streams on which older persons rely. In this chapter, we conceptualize the income stool as having these four legs: earnings, capital income, private transfers, and public transfers. We extend this metaphor to conceptualize a fifth leg - that is, wealth. We capture wealth mostly as a stock (in what we call wealth packages), although wealth clearly constitutes potential and actual income flows. We also capture some wealth directly as flows, via the capital income component of the income package. We begin by assessing employment, income, and wealth outcomes, first among all older women's households and, second, in one particularly vulnerable group: older women who live alone. We then turn our attention to poor older women and, finally, to those who are extremely poor. We close with brief comments about policy implications and further research. <http://www.lisproject.org/publications/lswps/lws3.pdf>

B. "Cross National Comparison of Income and Wealth Status in Retirement: First Results from the Luxembourg Wealth Study (LWS)," by Eva Sierminska, Andrea Brandolini, and Timothy Smeeding (Working Paper No. 2, November 2006, .pdf format, 38p.). Abstract: This paper provides a first glance at the role of income and wealth in comparing economic security of older persons in the United States in cross-national perspective. We compare our elders to those in six other rich OECD countries (Canada, Finland Germany, Italy, Sweden, and the United Kingdom). These countries have diverse social policy systems, with respect to both social insurance and public assistance; and they have very different patterns of private wealth holding. The paper is based on a new source of wealth micro data, known as the Luxembourg Wealth Study (LWS). In this paper, we first develop a comparable definition of wealth and net worth across nations and then focus our efforts on the inter-country variation in the composition of income and asset packages for those 65 and over, with respect to the main sources in each package. We examine the structure of income and wealth holdings and their joint distribution; income and asset poverty of the elderly; the importance of home ownership in providing security for the elderly; differences in wealth by education; and we provide an initial glimpse at wealth and income inequality in a comparative perspective. We conclude by comparing the risks associated with private assets to those associated with under-funded public pension systems." <http://www.lisproject.org/publications/lswps/lws2.pdf>

14. LEVY ECONOMICS INSTITUTE OF BARD COLLEGE [ANNADALE-ON-HUDSON, NY]: "European Welfare State Regimes and Their Generosity Toward the Elderly," by Axel Borsch-Supan (Working Paper No. 479, November 2006, .pdf format, 31p.). Links to the abstract and full-text can be found at:

15. "Residential Mobility and Housing Adjustment of Older Households in Europe," by Konstantinos Tatsiramos (Discussion Paper No. 2435, November 2006, .pdf format, 27p.). Abstract: This paper investigates the determinants of residential mobility of older households (above 50 years old) and the adjustment of housing for those who move employing individual data from the European Community Household Panel. Although homeowners are less likely to move compared to renters, an increase in mobility rates is observed for older age homeowners. Moreover, having an outstanding home loan, retirement, the death of a spouse, and excessive housing costs, are significantly associated with a move in central and northern European countries, but not in the south. Analyzing the transitions from the current tenure choice after a move takes place, based on a competing risk hazard model, an increasing transition out of the current residence for old-age homeowners is found, indicating some dissaving later in life. The direction of the transitions is mostly from ownership to renting. However, especially in countries in central and northern Europe, transitions from ownership to ownership are also observed, which are associated with a reduction in the home size. <http://ftp.iza.org/dp2435.pdf>

16. PANEL STUDY OF INCOME DYNAMICS BIBLIOGRAPHY UPDATE: The University of Michigan Institute for Social Research PSID has recently added the following item to its bibliography. The entire bibliography can be searched or browsed in various ways at:

<http://psidonline.isr.umich.edu/Publications/Bibliography/default.aspx>

Hacker, Jacob S. Family Income Instability: Transitory Variance of Log Family Income, 1974-2002. . The Great Risk Shift: The Assault on American Jobs, Families Health Care, and Retirement -- And How You Can Fight Back. New York: Oxford University Press; 2006.

Hungerford, Thomas. The Role of Earnings and Financial Risk in Distributional Analyses of Social Security Reform Measures. Journal of Policy Analysis and Management. 2005; 25(2):0.

Intuwonges, Sittiporn. Social Security and U.S. Household Saving Behavior: New Theoretical and Empirical Evidence. Tennessee: Middle Tennessee State University; 2005.

17. US DEPARTMENT OF HEALTH AND HUMAN SERVICE, OFFICE OF THE ASSISTANT SECRETARY FOR PLANNING AND EVALUATION REPORT: "Historical and Projected Trends In Medicaid," (October 2006, .pdf format, 31p.). <http://aspe.hhs.gov/health/reports/06/trendsinmedicaid/>

18. EMPLOYEE BENEFIT RESEARCH INSTITUTE ISSUE BRIEF: "Employment-Based Retirement Plan Participation: Geographic Differences and Trends, 2005," by Craig Copeland (EBRI Issue Brief No. 229, November 2006, .pdf format, 36p.).

http://www.ebri.org/publications/ib/index.cfm?fa=ibDisp&content_id=3761

19. "How Generous Are Social Security and Medicare?" by Andrew J. Rettenmaier and Thomas R. Saving (NCPA Study No. 290, October 2006, .pdf and HTML format, 14p.). <http://www.ncpa.org/pub/st/st290/>

20. INVESTMENT COMPANY INSTITUTE REPORT: "401(k) Plans: A 25-Year Retrospective," (_Research Perspective_, Vol. 12, No. 2, November 2006, .pdf format, 40p.). <http://www.ici.org/pdf/per12-02.pdf>

Press Release: http://www.ici.org/statements/nr/06_news_401k_anniv.html

21. NATIONAL CENTRE FOR SOCIAL AND ECONOMIC MODELLING (NATSEM) [AUSTRALIAN NATIONAL UNIVERSITY] PRESENTATION: "Modelling Our Future: Population Ageing and Social Policy," by Ann Harding (October 2006, .pdf format, 50p.).

<http://www.natsem.canberra.edu.au/publication.jsp?titleID=PR0603>

22. ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT: "Restoring Fiscal Sustainability in the Euro Area: Raise Taxes or Curb Spending?" by Boris Cournede and Frederic Gonand (Economics Department Working Paper No. 520, November 2006, .pdf and Word format, 39p.). Abstract: With population ageing, fiscal consolidation has become of paramount importance for euro area countries. Consolidation can be pursued in various ways, with different effects on potential growth, which itself will be dragged down by ageing. A dynamic general equilibrium model with overlapping generations and a public finance block (including a pay-as-you-go pension regime, a health care system, non ageing related public spending and a stock of debt to be repaid) is used to compare the macroeconomic impact of four scenarios: a) increasing taxes to finance unchanged pensions and repay public debt, b) lowering future pension replacement rates and repaying public debt through a lower ratio of non ageing-related outlays to

GDP, c) raising the retirement age by 1.25 years per decade and increasing taxes only to pay off debt, and d) increasing the retirement age by 1.25 years per decade and paying off debt through a lower ratio of non ageing-related expenditure to GDP. This last scenario is the one where growth is strongest: with gradual increases in the retirement age and spending restraint, average GDP growth in the 2010s would be 0.34 percentage point stronger than in a scenario where fiscal consolidation is achieved exclusively through tax hikes. The appropriate conclusion from the model is not that public spending is bad per se, but that cuts to lower-priority spending items can deliver surprisingly large income gains compared with the alternative of raising taxes. [http://www.oelis.oecd.org/olis/2006doc.nsf/linkto/ECO-WKP\(2006\)48](http://www.oelis.oecd.org/olis/2006doc.nsf/linkto/ECO-WKP(2006)48)

23. INSTITUTE FOR THE STUDY OF LABOR (IZA) [UNIVERSITY OF BONN, GERMANY]: "Population Aging and Continued Education," by Regina T. Riphahn and Parvati Trübswetter (Discussion Paper No. 2415, November 2006, .pdf format, 15p.). Abstract: This study investigates whether the incidence of continued vocational education has changed as the German workforce commenced an aging process which is expected to intensify. As the lifespan in productive employment, lengthens human capital investments for older workers become increasingly worthwhile. Using the data of a German population survey we describe recent trends in the development of human capital investments and apply decomposition procedures to the probability of continued education. Holding everything else constant the shift in the population age distribution by itself would have led to a decline in training participation over the considered period, 1996-2004. However, the decomposition analyses yield that behavioral changes caused an increase in training particularly among older workers. <http://ftp.iza.org/dp2415.pdf>

"Intergenerational Conflict, Partisan Politics, and Public Higher Education Spending: Evidence from the German States," by Ulrich Oberndorfer and Viktor Steiner (Discussion Paper No. 2417, November 2006, .pdf format, 21p.). Abstract: We analyze potential effects of demographic change and political constellations on higher education spending. In our panel analysis of west German states (Laender) for the period 1985 to 2002 we find empirical evidence for the hypothesis of a negative relationship between demographic aging and spending on public higher education. In contrast to the hypothesis of the classical partisan theory that implies higher public expenditures under leftist parties, we find that governments under conservative parties or a coalition between social democrats and conservatives spend more on public higher education than governments run by the social-democratic party alone. <http://ftp.iza.org/dp2417.pdf>

C. "Making Work Pay for the Elderly Unemployed: Evaluating Alternative Policy Reforms for Germany," by Peter Haan and Viktor Steiner (Discussion Paper No. 2424, November 2006, .pdf format, 26p.). Abstract: We evaluate three policy reforms targeted at older unemployed people: (i) an hourly wage subsidy, (ii) an in-work credit, and (iii) a subsidy of social security contributions on low wages. The work incentive, labour supply and welfare effects of these hypothetical reforms are analysed on the basis a detailed micro-simulation model for Germany which includes a structural household labour supply model. We find that the simulated labour supply effects of the three policy reforms would be rather similar and of moderate size, ranging between 20,000 and 30,000 older women and between 10,000 and 20,000 older men. Our results also suggest that the hourly wage subsidy yields the highest welfare gains. <http://ftp.iza.org/dp2424.pdf>