Social Security Administration
Contribution to the Health and Retirement Study (HRS)

The HRS provides an ongoing source of longitudinal data for research on retirement and aging. SSA provides substantial funds through interagency agreements with the National Institute on Aging.

Lead Agency:
Social Security Administration

Agency Mission:
To advance the economic security of the Nation's people through compassionate and vigilant leadership in shaping and managing America's Social Security programs.

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Partner Agency:
National Institute on Aging

General Description:
The Health and Retirement Study (HRS) provides an ongoing source of longitudinal data for research on retirement and aging. HRS is an outgrowth of a prior longitudinal study undertaken by the Social Security Administration (SSA) in the late 1960s that interviewed respondents biennially between 1969 and 1979. At that time, SSA's Retirement History Study was a unique source of data to understand retirement decisions and retirement behavior in a period when a growing number of individuals were taking Social Security benefits before reaching age 65. The HRS has made many improvements to the design of the Social Security study, learning from the strengths and limitations of the prior study. HRS is now the premier data set in this area.

Through interagency agreements with the National Institute on Aging, SSA provides substantial support for the HRS. SSA supports several areas: 1) basic support to maintain sample size, improve data quality, assure the confidentiality of the data, and develop restricted access administrative data on benefits and earnings, 2) production of a user-friendly public-use file that requires substantially less time and effort to use than the underlying HRS data releases, especially for longitudinal analysis, 3) collection of longitudinal information on consumption to understand how consumption changes through retirement and whether people have adequate retirement income to meet their consumption needs, 4) efforts to improve the linking of survey information to SSA administrative records on benefits and earnings that is crucial for many analyses of effects of specific policy reforms, and 5) development of longitudinal weights and improved imputations of earnings and pensions that improve the quality of the resulting data.

Excellence: What makes this project exceptional?

The HRS is exceptional in numerous ways. The survey collects a wealth of data across a wide range of subjects, follows people from age 50 until death allowing for the study of the retirement and aging processes, and adds new cohorts every 6 years so that demographic and societal changes can be tracked. Government experts and academic researchers from a diverse set of disciplines, including economics, demography, sociology, psychology, medicine, epidemiology, health services, and survey methodology, collaborate on the design of the survey. The questionnaire employs innovative design features and experimental modules to improve the quality of the data and cover an extensive set of narrowly focused topics. The survey data are linkable to important administrative data files on earnings histories and benefits from SSA for respondents who have provided their consent, and to information on health costs from the Centers for Medicare and Medicaid Services, and pension plan provisions from employers. SSA also supports production of user-friendly public-use data files that greatly simplifies analysis of data across interviews. And the HRS has become a model for similar data collections in other countries, allowing for the study of trends in aging and retirement worldwide.

Significance: How is this research relevant to older persons, populations and/or an aging society?

This survey has been expressly designed to provide the data needed to understand the dynamics of retirement and the aging of the population. HRS data are helping SSA assess a wide range of issues: preretirement savings, health status, health insurance and pension coverage, retirement transitions, and retirement income, including benefits and projected benefits of retired workers, their dependents and auxiliary beneficiaries. Of particular interest among the older cohorts are questions of the economic impact of health problems or age-related declines in health, the impact of widowhood on economic well-being, and the extent of dissaving and Medicaid spend down as people age.

Effectiveness: What is the impact and/or application of this research to older persons?

SSA supports a great deal of research on program issues using the HRS. Recent work using the HRS has addressed such topics as changing consumption at retirement, planning for retirement and financial literacy, managing risks in retirement, assessing the effects of the changing pension environment, adequacy of saving for retirement, effects of Social Security reform options, and differences in the distribution of wealth holdings, pension participation and plan characteristics, and long term care preparations across cohorts of near retirees. The HRS is also an important database for estimating some of the relationships underlying SSA microsimulation models. For example, labor force retirement, financial wealth, and housing equity in Modeling Income in the Near Term are based on relationships estimated from HRS.

Innovativeness: Why is this research exciting or newsworthy?

The U.S. is one of many countries worldwide that is facing an aging population and, in particular, the challenge of a baby boom generation that is on the brink of retirement. Major programs, such as Social Security and Medicare must make changes in order to remain solvent. The HRS is exciting and newsworthy, because it is a powerful tool for assessing the programs and policies of the present and future.