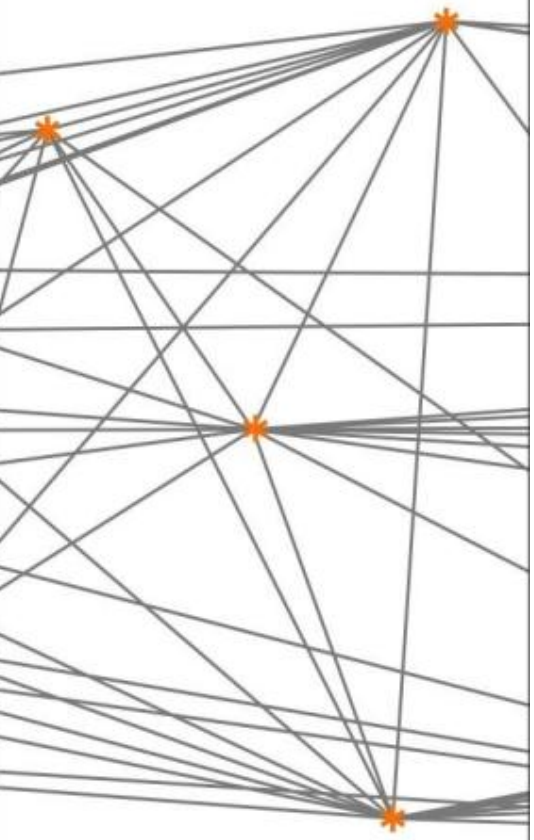
SHARE

Survey of Health, Ageing and Retirement in Europe



Federal Ministry of Education and Research

Research findings from international comparisons with *SHARE*

Axel Börsch-Supan

RIETI-JSTAR Symposium, Tokyo, 12 December 2014

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MUNICH CENTER FOR THE ECONOMICS OF AGING
AT THE MAX PLANCK INSTITUTE FOR SOCIAL LAW AND SOCIAL POLICY

Outline

1. **SHARE:** Not only **panel** and **X-disciplinary** like JSTAR and HRS, but also **X-national**

2. **Overview:** Understand causes and effects of **welfare state interventions** impacting life at older ages: Overview of lessons learned

3. **Three examples, refuting prejudices:**
   --**health** around retirement
   --**retirement** effects on health
   --intergenerational **cohesion** of aging societies

EU Laboratory to evaluate social policies

SHARE
Survey of Health, Ageing and Retirement in Europe

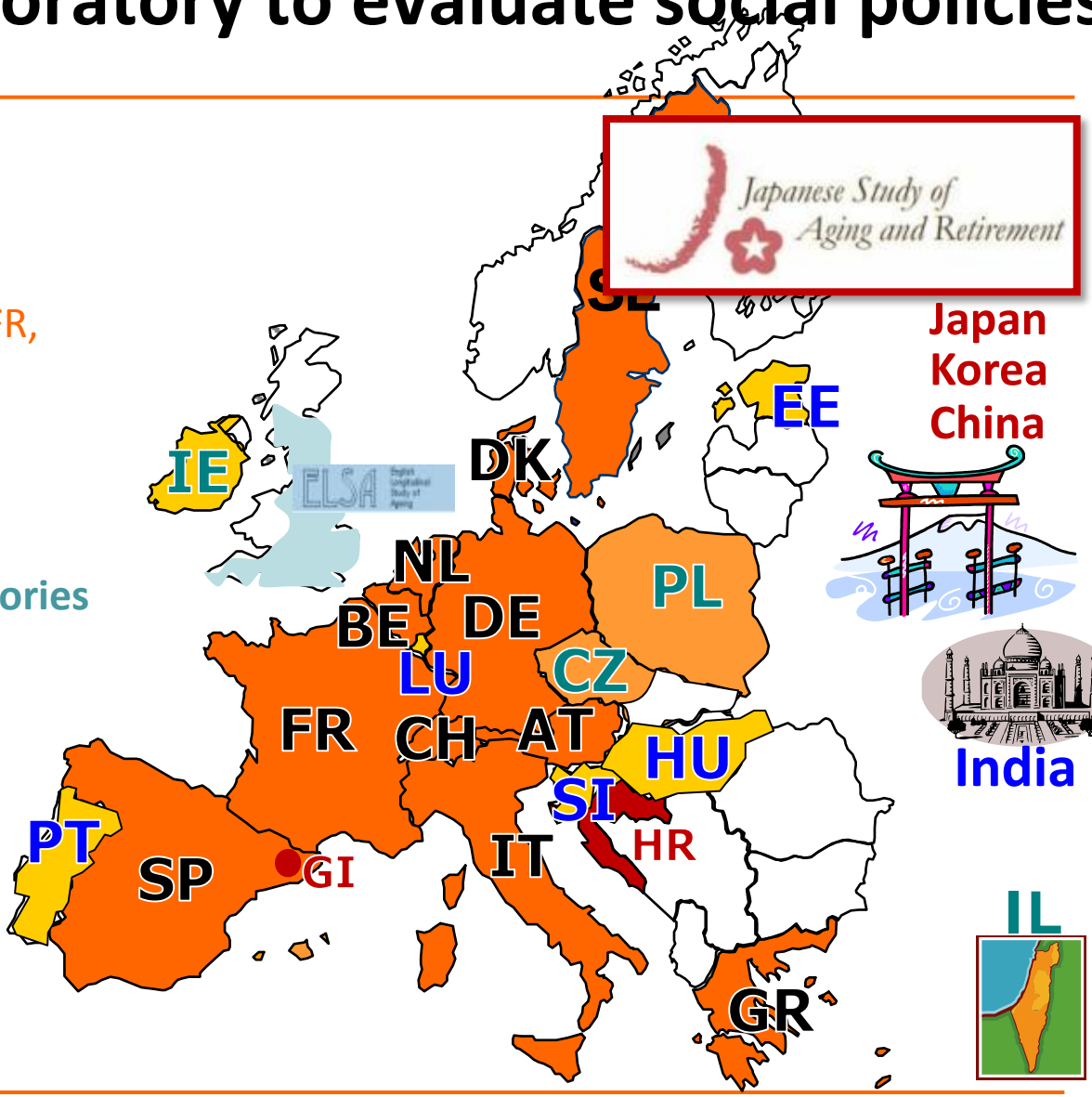
HRS

Wave 1 participation (2004):
11 countries: NL, DE, AT, DK, BE, FR, CH, SP, IT, GR, SE (***+UK)***

Waves 2 and 3 (2006 and 08):
plus CZ, PL, IE, IL: **15 countries**
Wave 3 specialty: SHARELIFE histories

Wave 4 participation (2010):
plus EE, LU, HU, SI, PT:
now **20 countries**

Wave 5 finished (2012/13)
83,000 resps, 230,000 interviews
from 21 countries/1 region



Mexico, Brazil

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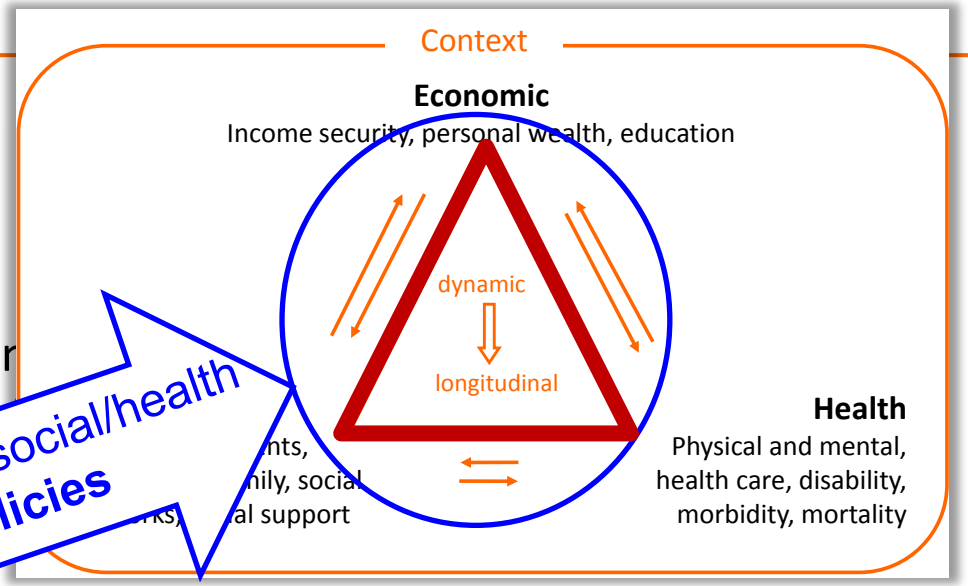
D SOCIAL POLICY

2007 - 2013

Federal Ministry of Education and Research

National Institute on Aging

Aims & principles



- **Aim:**
  -Understand the **ageing process** ir
  -Basic research and fact-based p

- **Principle 1:** Understand the **interactions** between health, labour force participation, and institutional conditions

- **Principle 2: Longitudinal** – since ageing is a process, not a state

- **Principle 3:** Use **cross-national variation** in policies, histories, cultures to understand causes and effects of welfare state interventions

Methodology

- Representative samples of **individuals age 50+** with spouse
- **Face-to-face interviews** by trained interviewers
- Broad range of **questions, measurements and tests**:
  - **Health:** subjective-objective (self-report, ADL/IADL, conditions, physical performance, biomarkers incl. dried blood), physical-mental (cognition, MMSE, CES-D, Euro-D), health behaviors, health utilization and insurance coverage
  - **Socio-economic status**: labor force participation, retirement, income (amount and sources), wealth, consumption, pension claims, expectations, well-being
  - **Social participation:** activities (volunteering), family and social networks (size and intensity), help (time, money)

Main design challenge

Distinguish methodological effects from genuine policy effects:

Ex ante / ex post harmonization

- Different institutions and methods
- Different languages
- Different interpretations

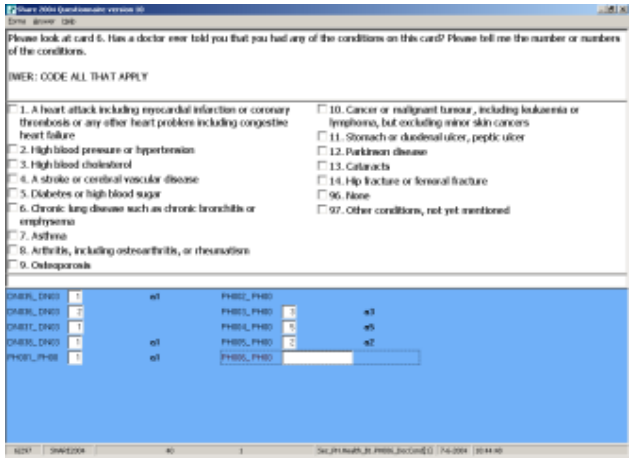
Cross national organisation

5 main nodes

more than 22 scientific partner institutions & ~160 scientists

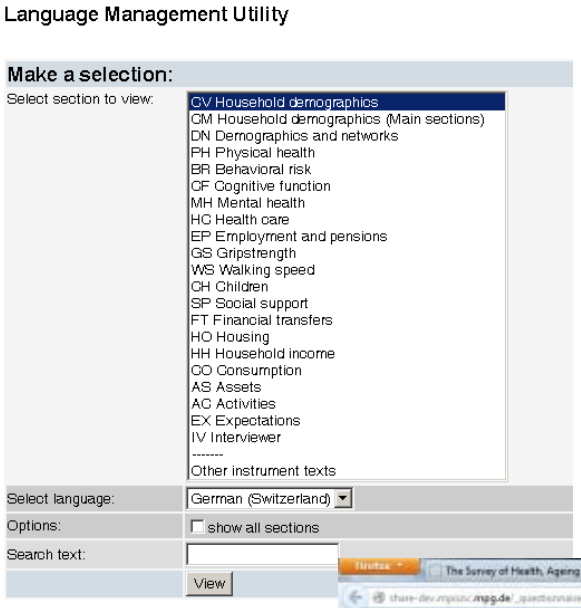
23 survey agencies & about 2000 interviewers

Cross national comparability



Ex ante harmonisation:

Survey instrument
to conduct Computer Assisted Personal Interviews (CAPI)



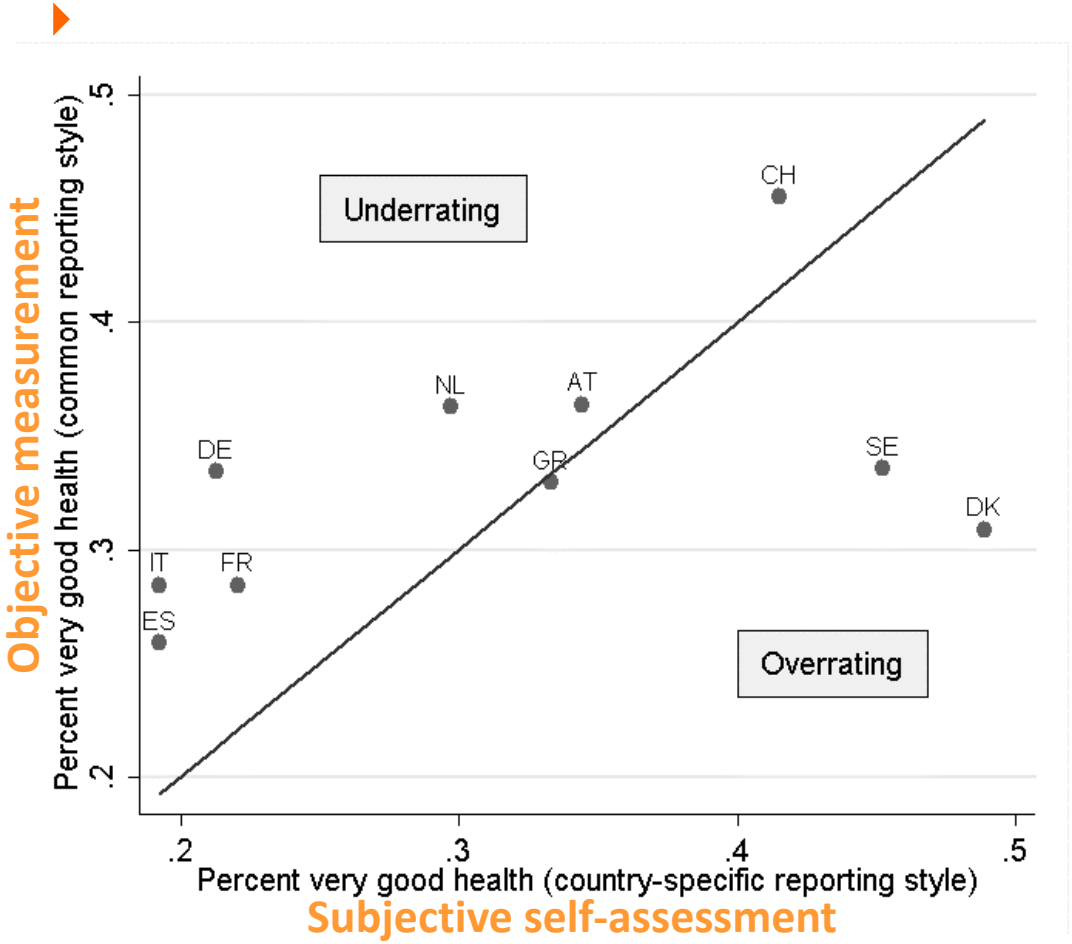
Ex ante harmonization:

Internet based translation tool

Ex post harmonization:

Country & wave specifics online overview

Cross national comparability



Source: Jürges, 2006

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3. **Three examples: (refuting prejudices)**
   --health around retirement
   --intergenerational cohesion of aging societies
   --retirement effects on health

Selected new publications 2013

- **Health & Health Care**
  - Paccagnella, O., V. Rebba and G. Weber. **Voluntary private health care insurance** among the over fifties in Europe: A comparative analysis of SHARE data. Health Economics.
  - Schröder, M. **Jobless now, sick later?** Investigating the long-term consequences of involuntary job loss on health. Advances in Life Course Research.

- **Life Course**
  - Deindl. C. The influence of **living conditions in early life on satisfaction in old age**. Advances in Life Course Research.
  - Schaan, B. **Widowhood and depression** among older Europeans - the role of gender, caregiving, marital quality, and regional context. The Journals of Gerontology Series B: Psychological Sciences and Social Sciences.

Selected new publications 2013

- **Retirement**
  - Reinhardt, J.D., M. Wahrendorf and J. Siegrist. Socioeconomic position, **psychosocial work environment and disability** in an ageing workforce. Occupational and Environmental Medicine.
  - Brugiavini, A., G. Pasini and E. Trevisan. The direct **impact of maternity benefits** on leave taking: Evidence from complete fertility histories. Advances in Life Course Research.
  - Börsch-Supan, A., and M. Schuth, **Early retirement, mental health and social networks**, In: David A. Wise (ed.), Discoveries in the Economics of Aging, University of Chicago Press.

- **Socio-Economics**
  - Chen, M.K. The effect of **language on economic behavior**: Evidence from savings rates, health behaviors, and retirement assets. American Economic Review.

Selected new publications 2013

- **Family & Social Networks**
  - Lyberaki, A., Tinios, P., Mimis, A. and Georgiadis, T. Mapping population aging in Europe: how are **needs met by different family structures?**. Journal of Maps.
  - Reinhold, S., T. Kneip and G. Bauer. The long run consequences of unilateral **divorce laws on children** — evidence from SHARELIFE. Journal of Population Economics.
  - Brandt, M. and C. Deindl. **Intergenerational transfers** to adult children in Europe: Do social policies matter? Journal of Marriage and Family.

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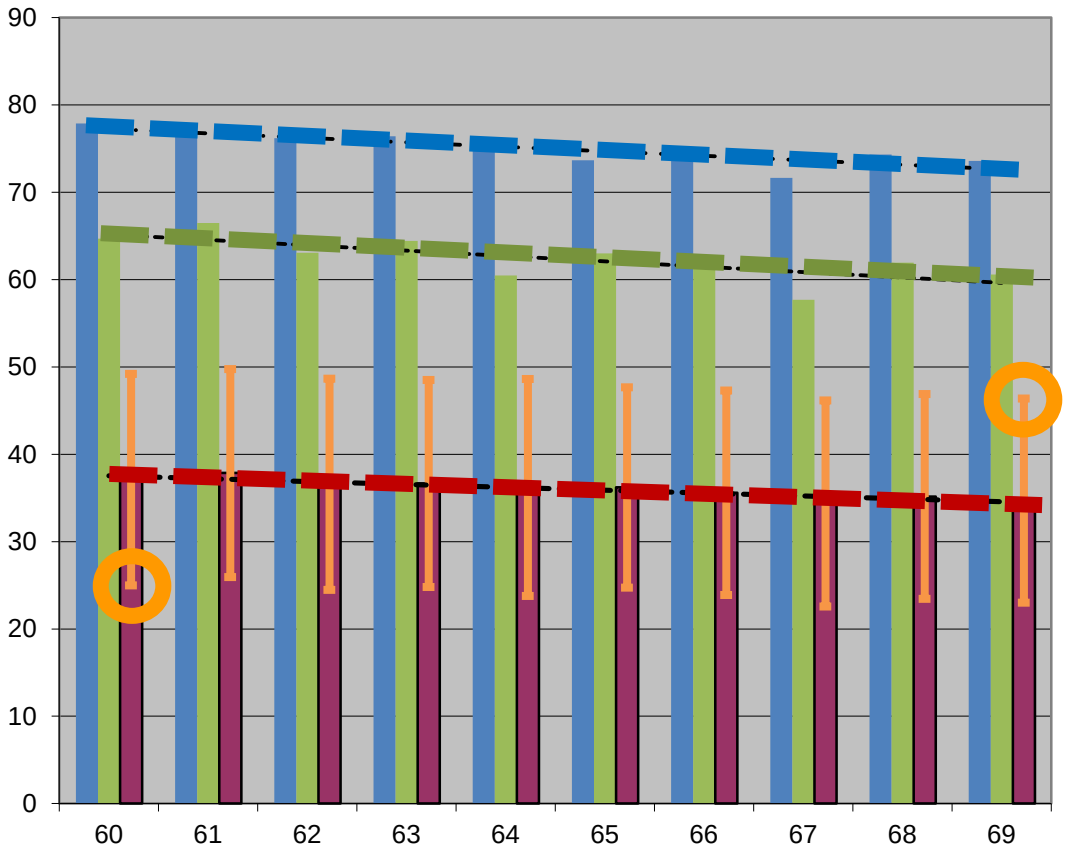
Prejudice 1: Health is insufficient…

Health at age 60-69 in Europe



Self rated:
percent excellent, very good and good

Functional:
percent with no ADL limitation

Objective:
Grip strength kg with std deviation

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But: socio-economic gradient

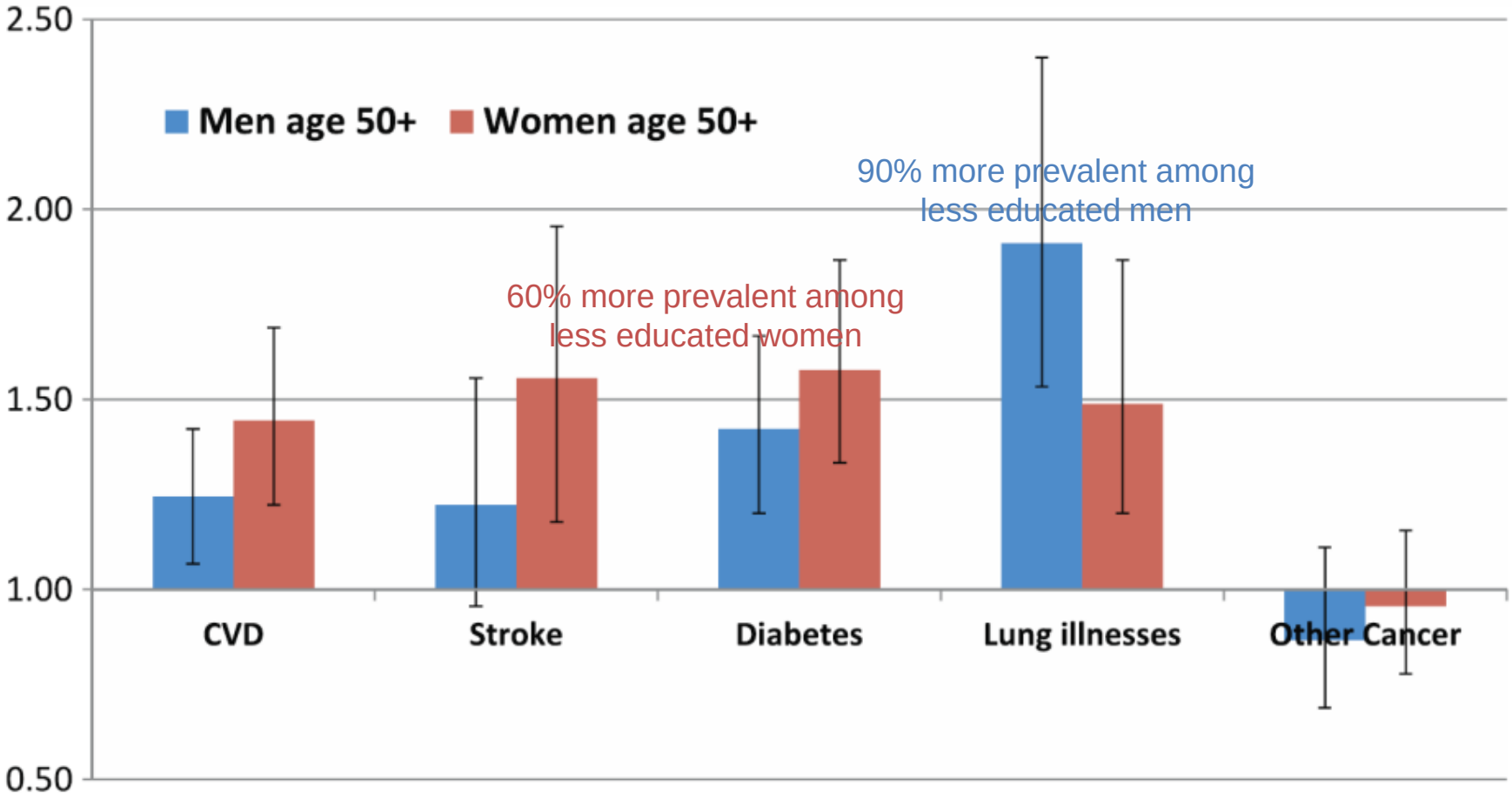
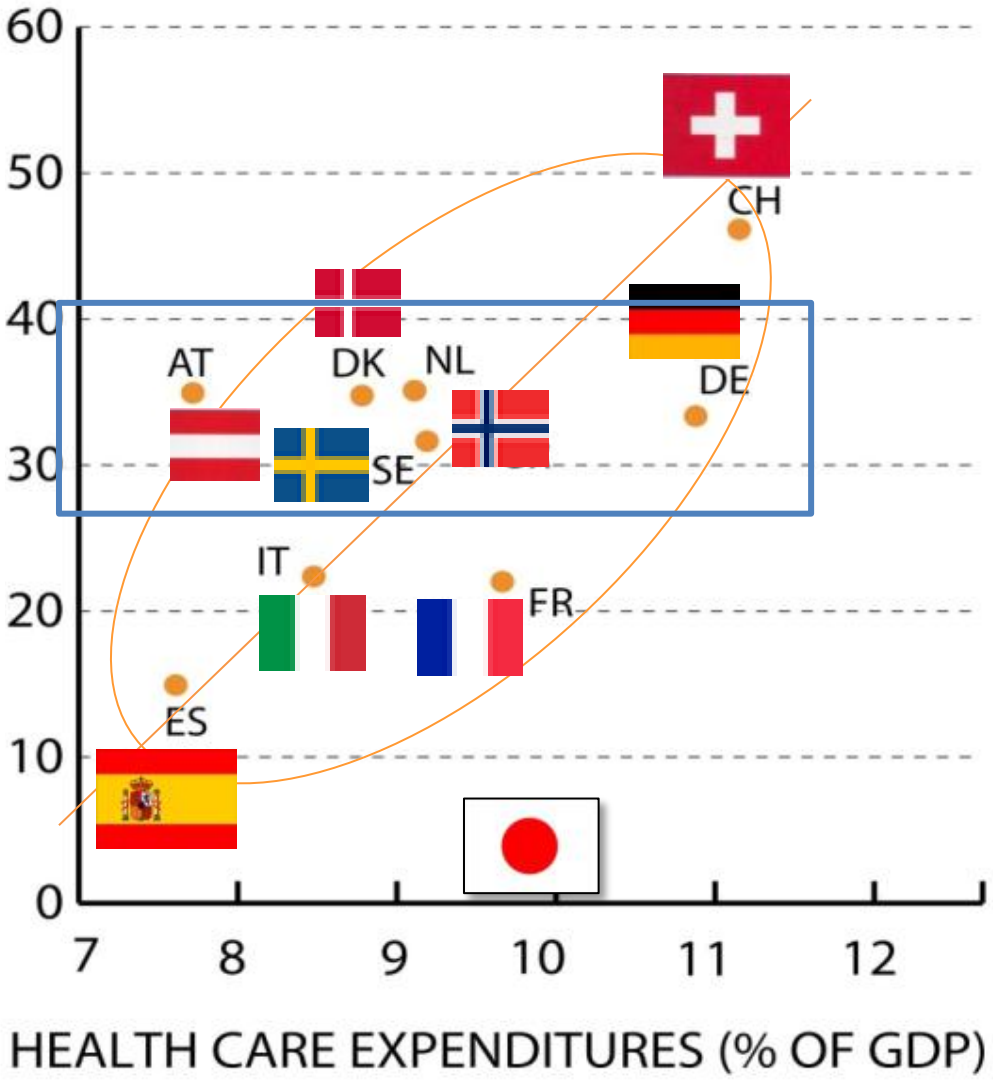


Fig. 5. Relative frequencies of illnesses by education in Europe. Source: Avendano et al. (2005)

Health care as (smart) investment

PERCENT VERY HEALTHY (objective functional measure)

Japanese Study of Aging and Retirement



Source: SHARE 2005

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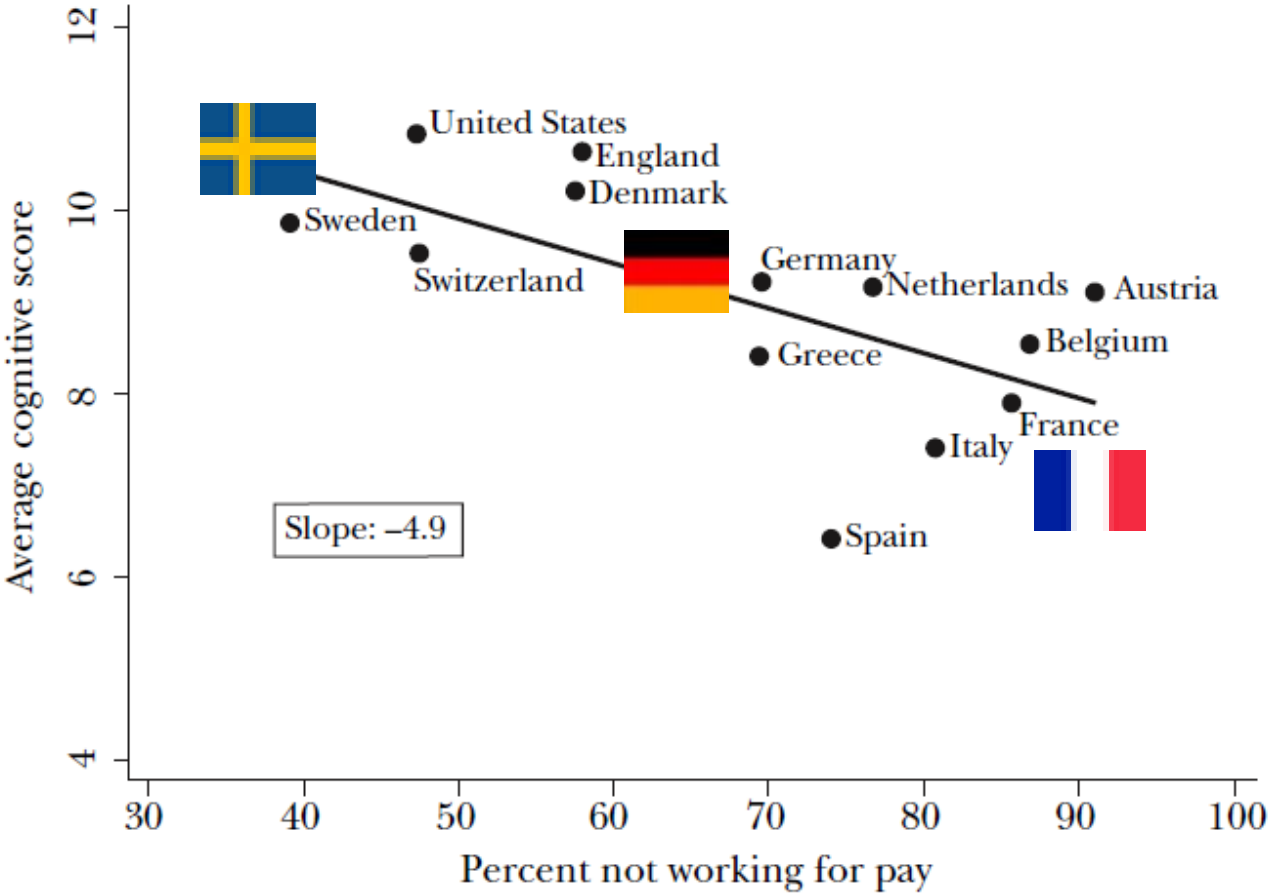
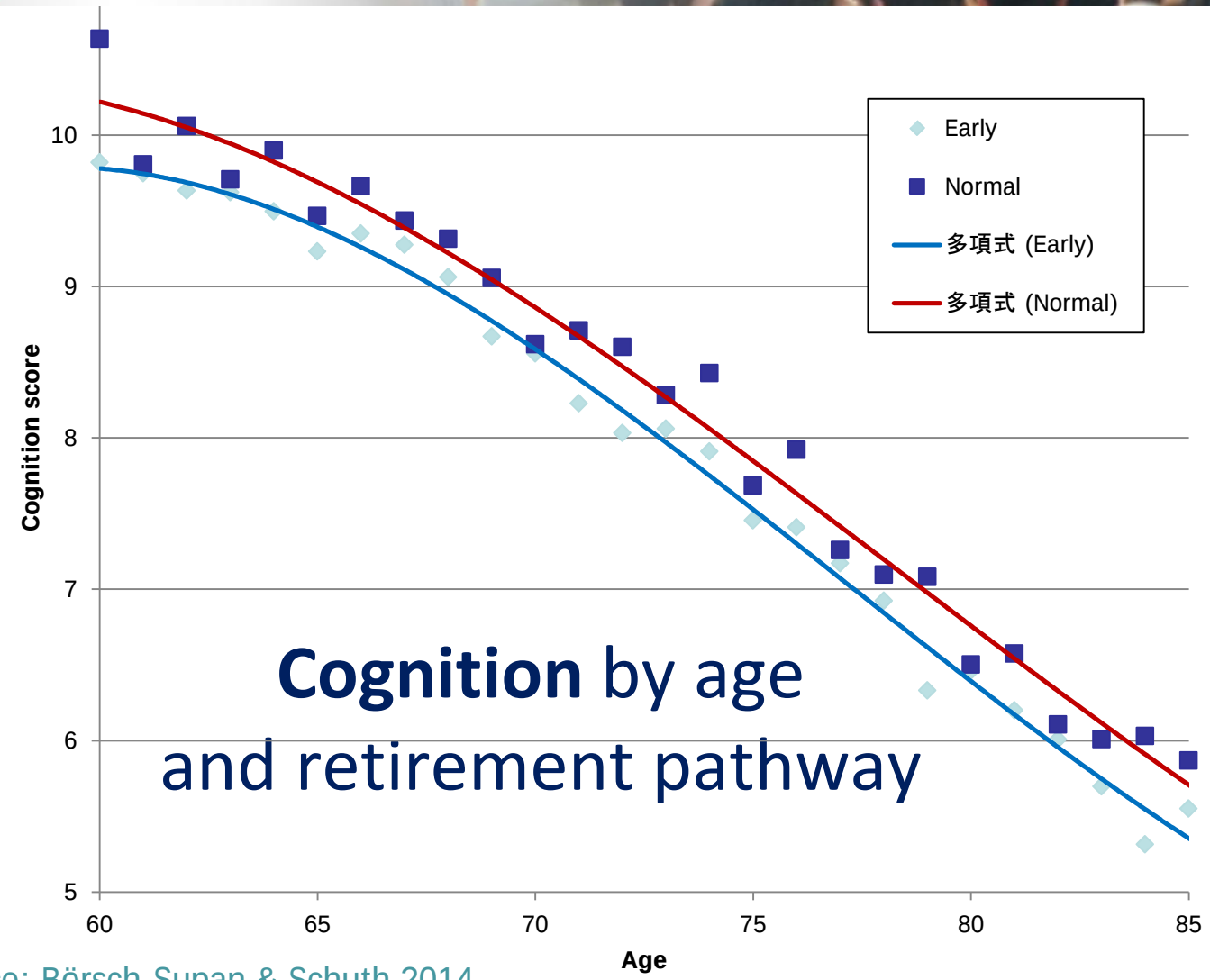
Prejudice 2: Retirement is bliss…

Cognition by Percent Not Working for Pay, 60–64 Year-Old Men and Women, Weighted

(Rohwedder and Willis 2010 with SHARE data)





Cognition by age and retirement pathway

Source: Börsch-Supan & Schuth 2014

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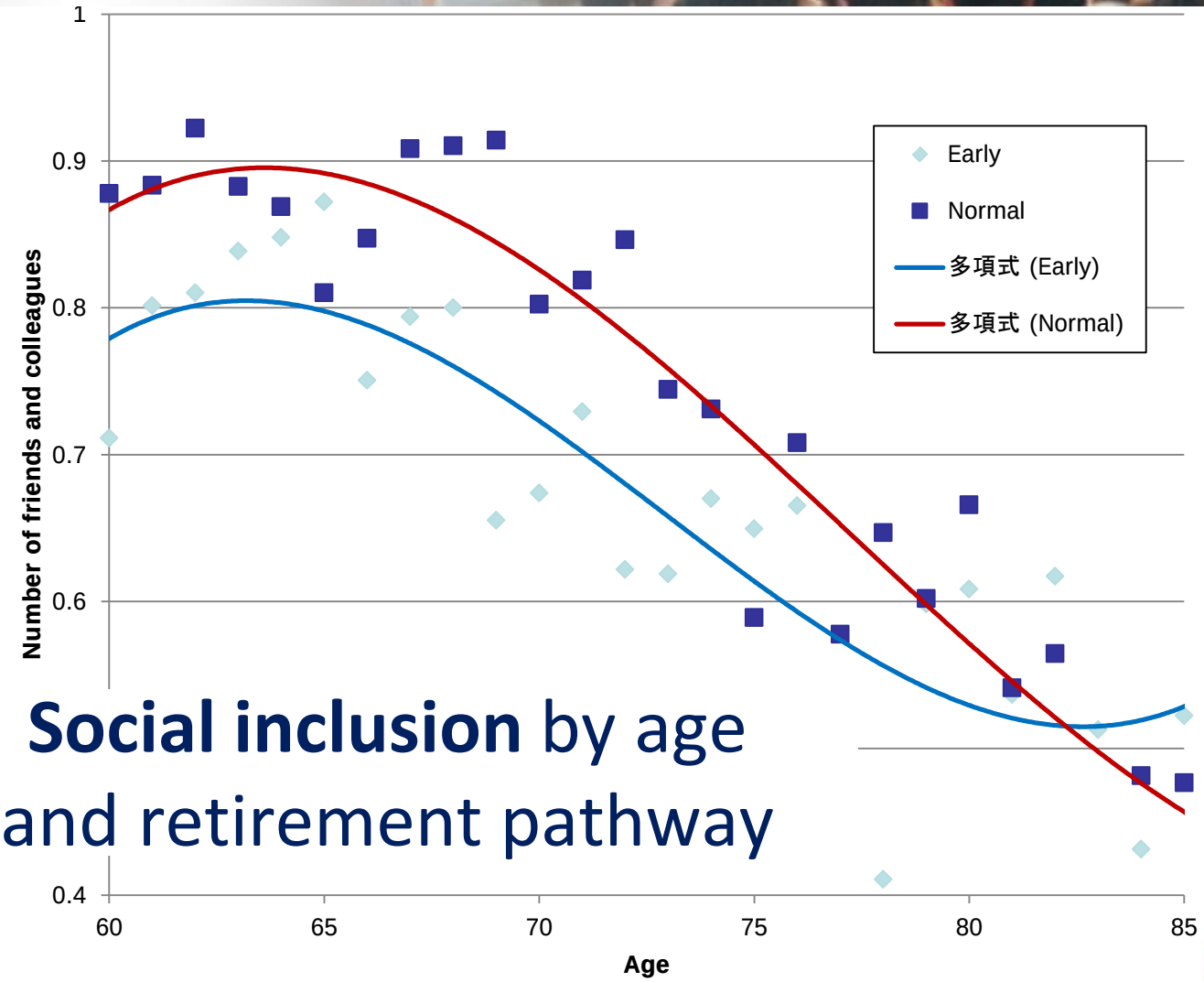
Social inclusion by age and retirement pathway



Source: Börsch-Supan & Schuth 2014

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What is cause, what is effect?

1. **Cognition -> Retirement:**

   Those with low cognition tend to retire earlier

2. **Retirement -> Cognition:**

   Those who retire earlier loose their cognition faster

3. **Cognition -> Social networks:**

   Smart and succesful individuals have more friends

4. **Social networks -> Cognition:**

   Those who retire earlier loose their friends faster

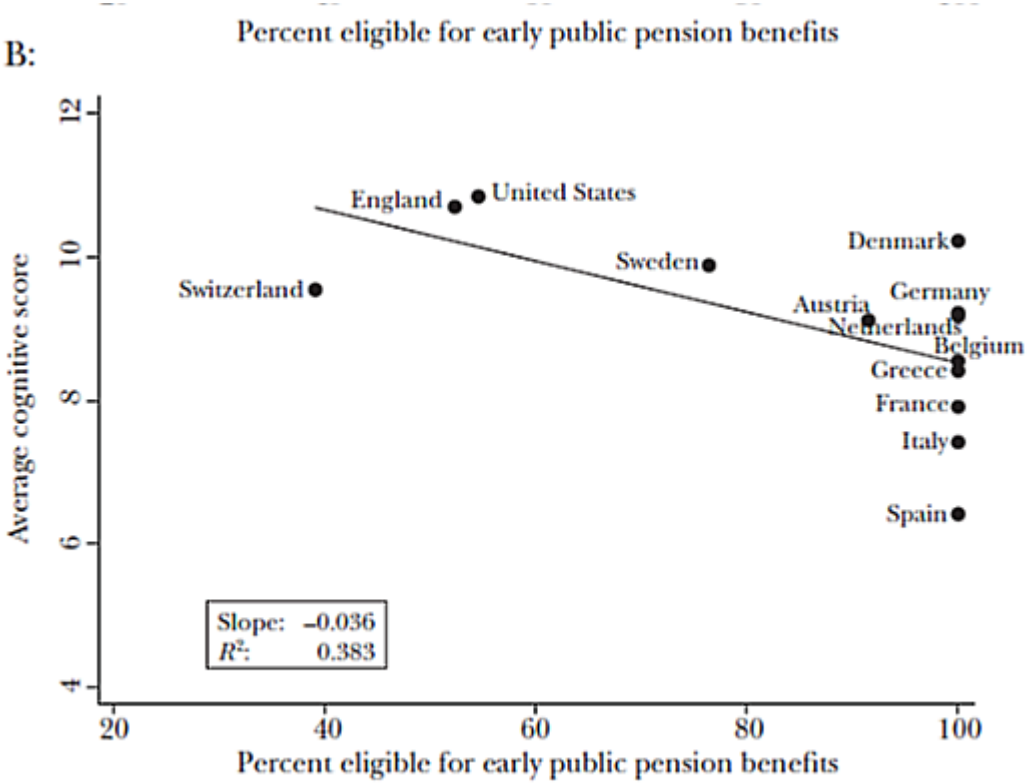
The value of international variation

Instruments for years since early retirement:

- Time since eligible for early retirement
- Time since eligible for normal retirement

Causal effect:

Exploit variation of early retirement rules in SHARE countries



Rohwedder/Willis 2010 JEconPersp

The value of regional variation

Instruments for number of non-family members in the social network: "social capital" at the regional level (NUTS-1)

1. **Trust in other people among the population 50+**
   - separated by country and gender
   - Higher level of (aggregated) trust -> more social contacts
2. **Population density at national level**
   - Higher population density -> more non-family social contacts?
   - Higher population densities create public distrust and increases need for privacy (Brueckner & Largey 2006, Collier 1998)

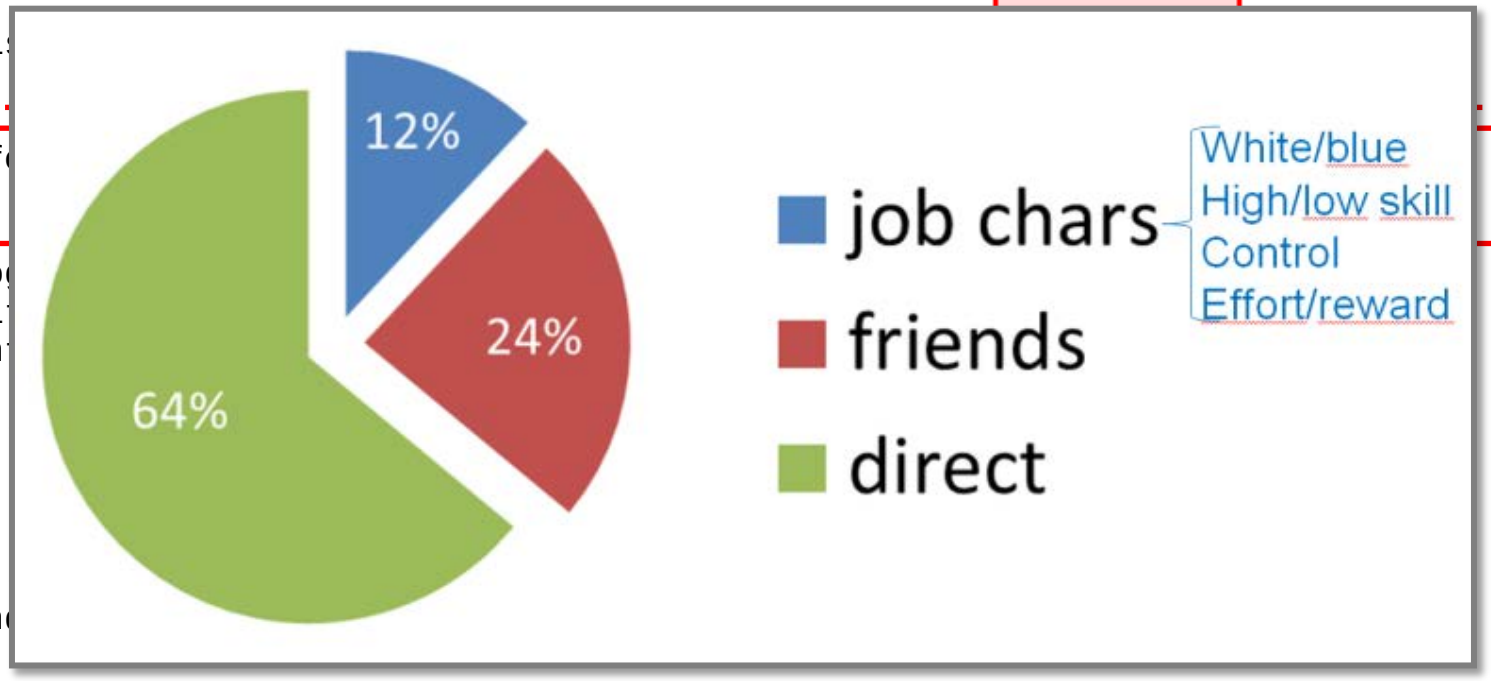
Second stage: RET & SN -> COG

Table 10: Second stage IV-estimation:
The effect of (early) retirement and social networks on cognition

	(1) cogn	(2) cogn	(3) cogn	(4) cogn
ERdist	-0.218***	-0.149	-0.259***	-0.185**
	(0.027)	(0.099)	(0.084)	(0.088)
NRdi				
sn_f				
Demo				
Heal				
Coun				

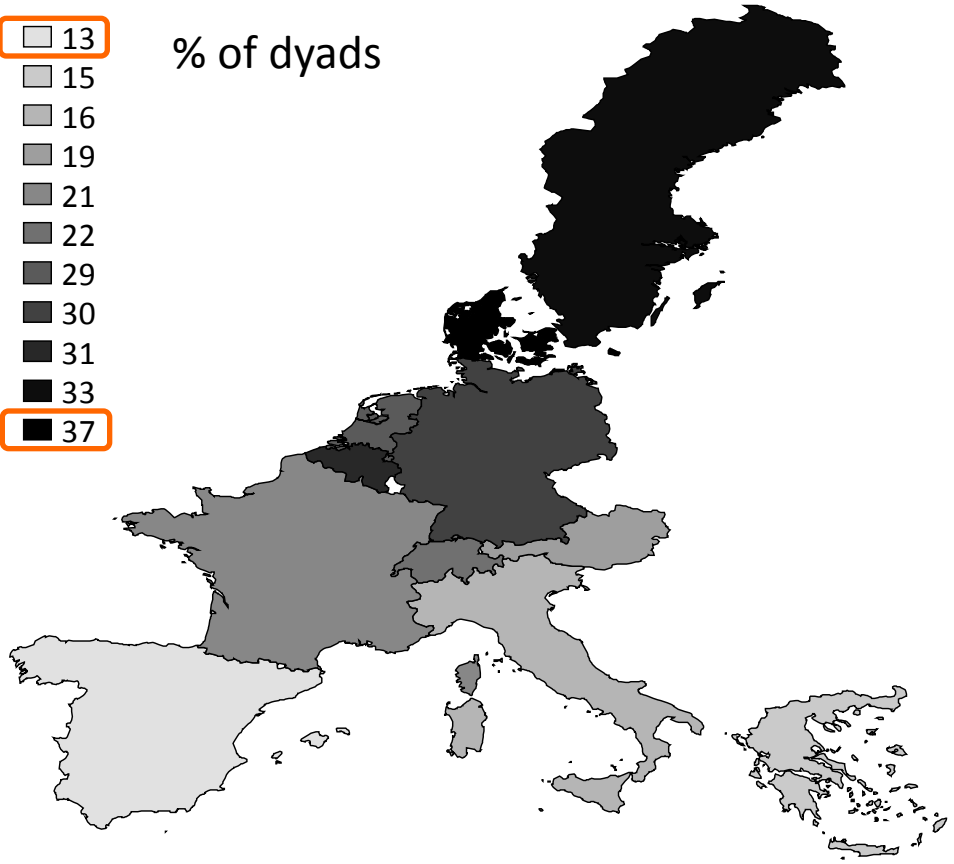
N				
F				
Fp				

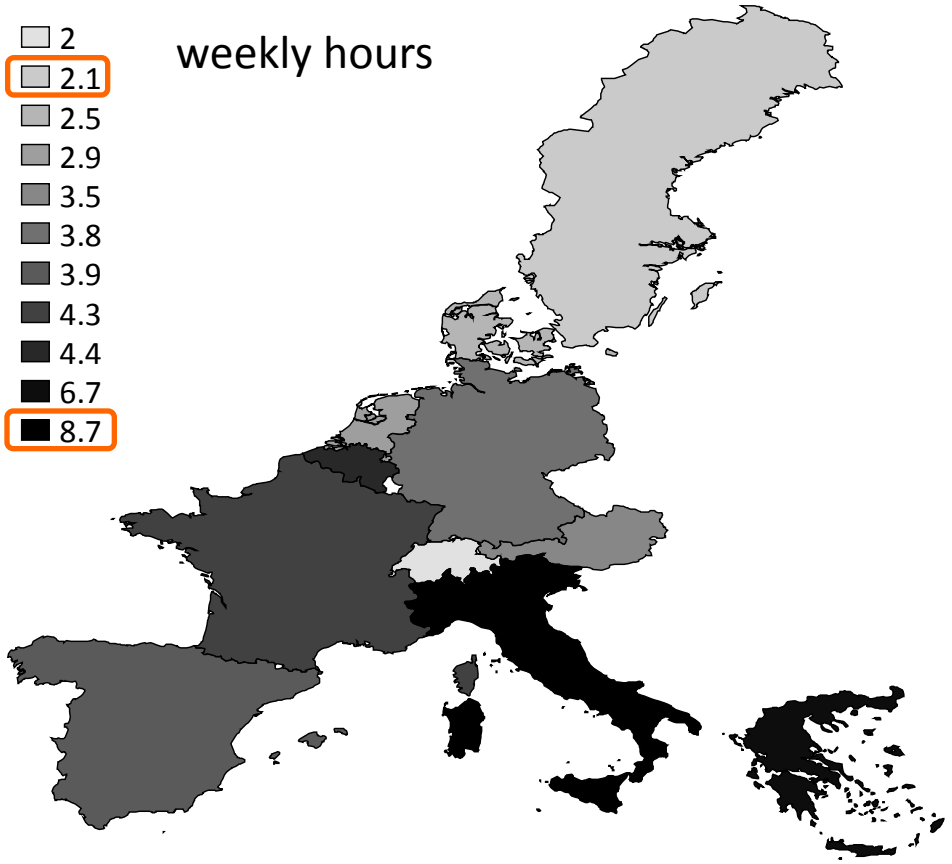
Stan				



Source: Börsch-Supan & Schuth 2014

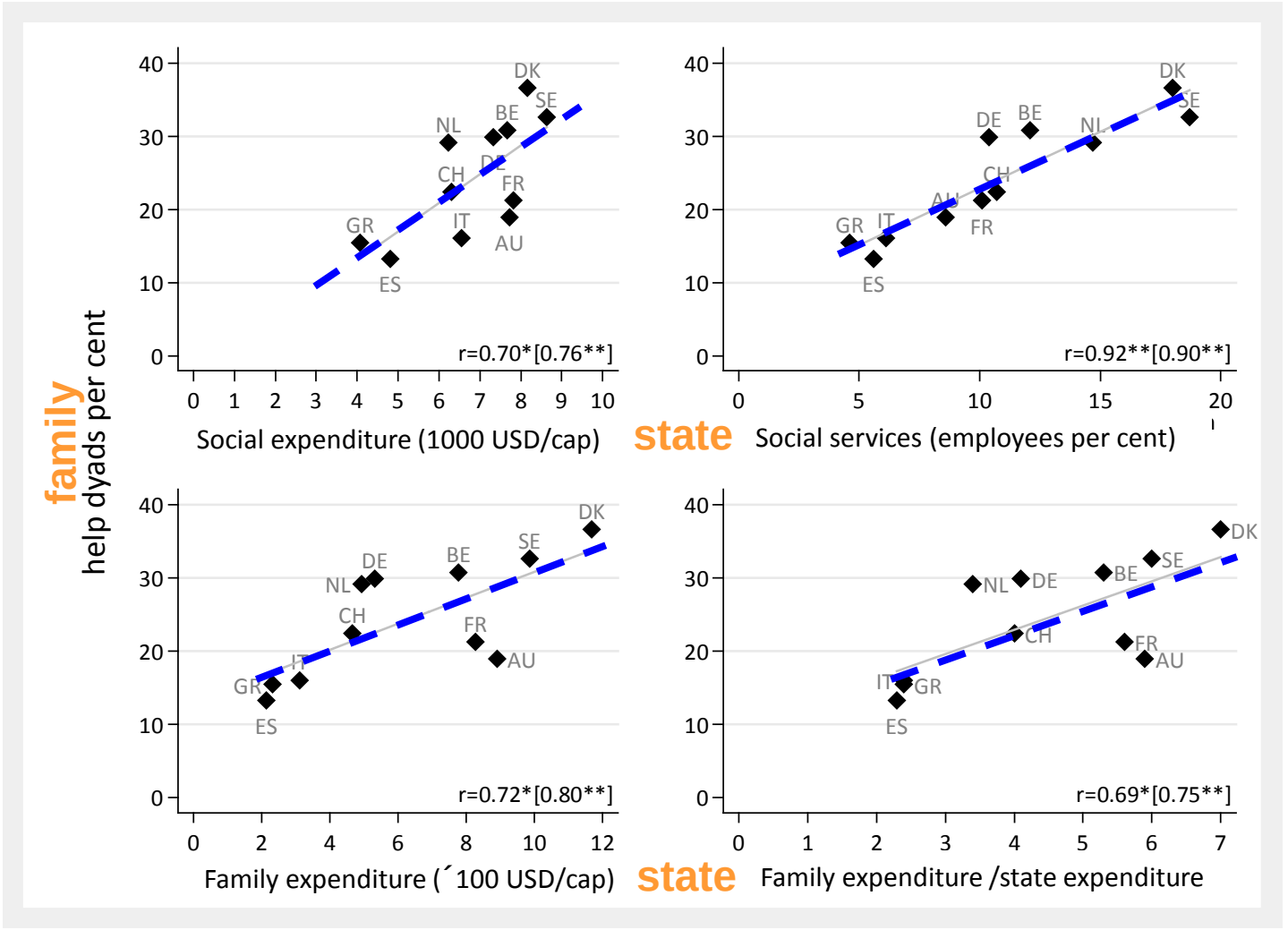
Prejudice 3: War between generations





SHARE 2004, n=7.825/40.073 dyads. *Source: Brandt/Deindl 2013*

Help to parents and social policies



Source: Brandt/Deindl 2013

Conflict with children

More in „old“ regions?

Figure 1: Old age dependency ratio in European regions

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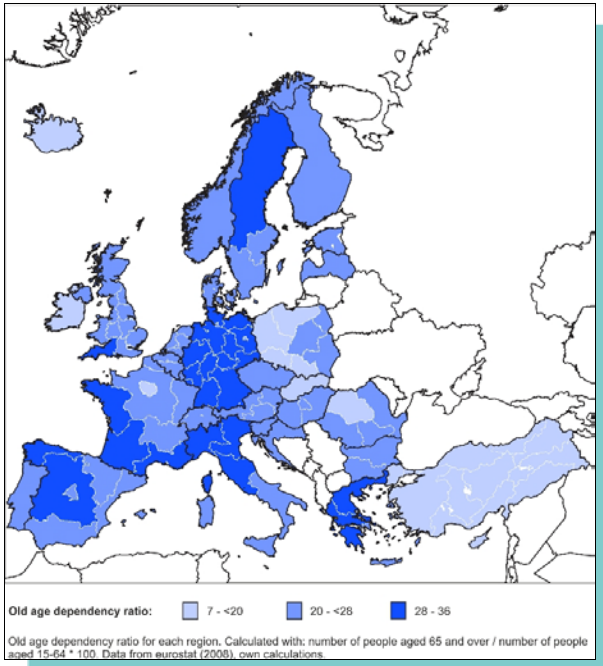

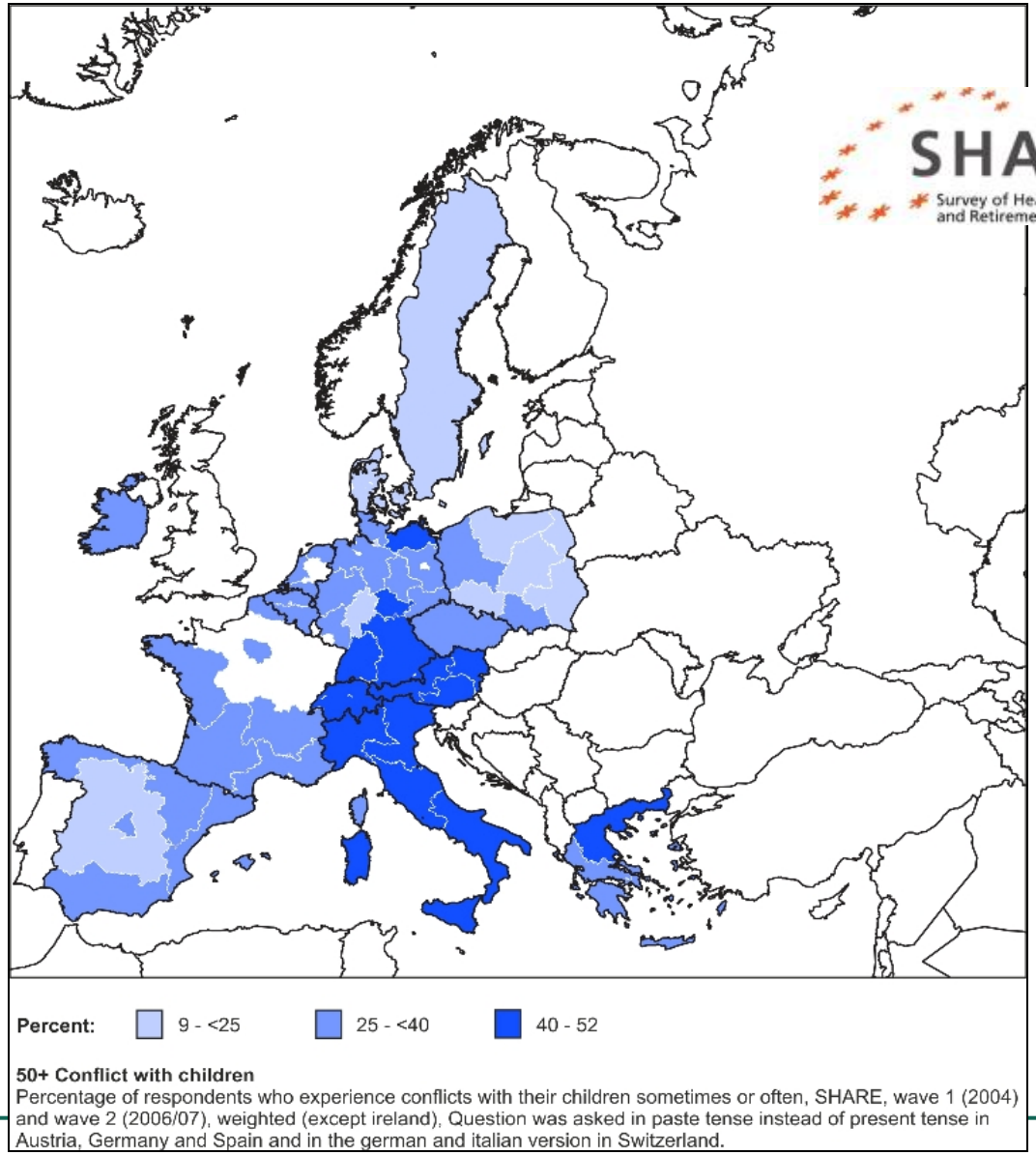

(Börsch-Supan, Heller, Reil-Held 2012)

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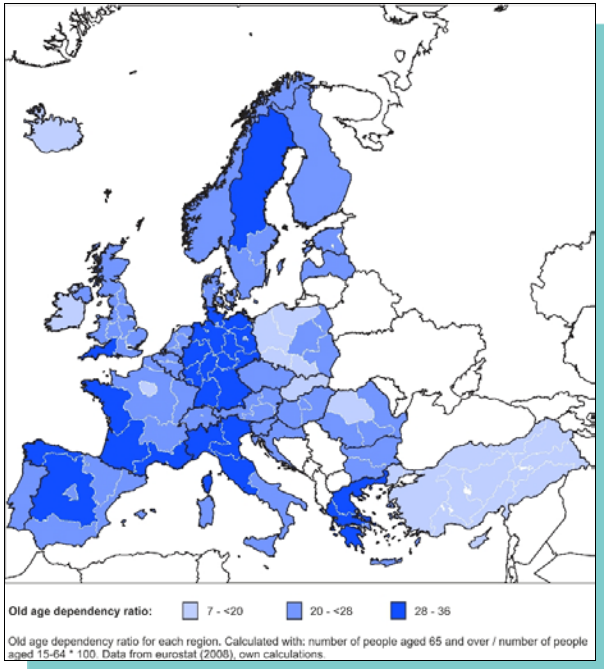

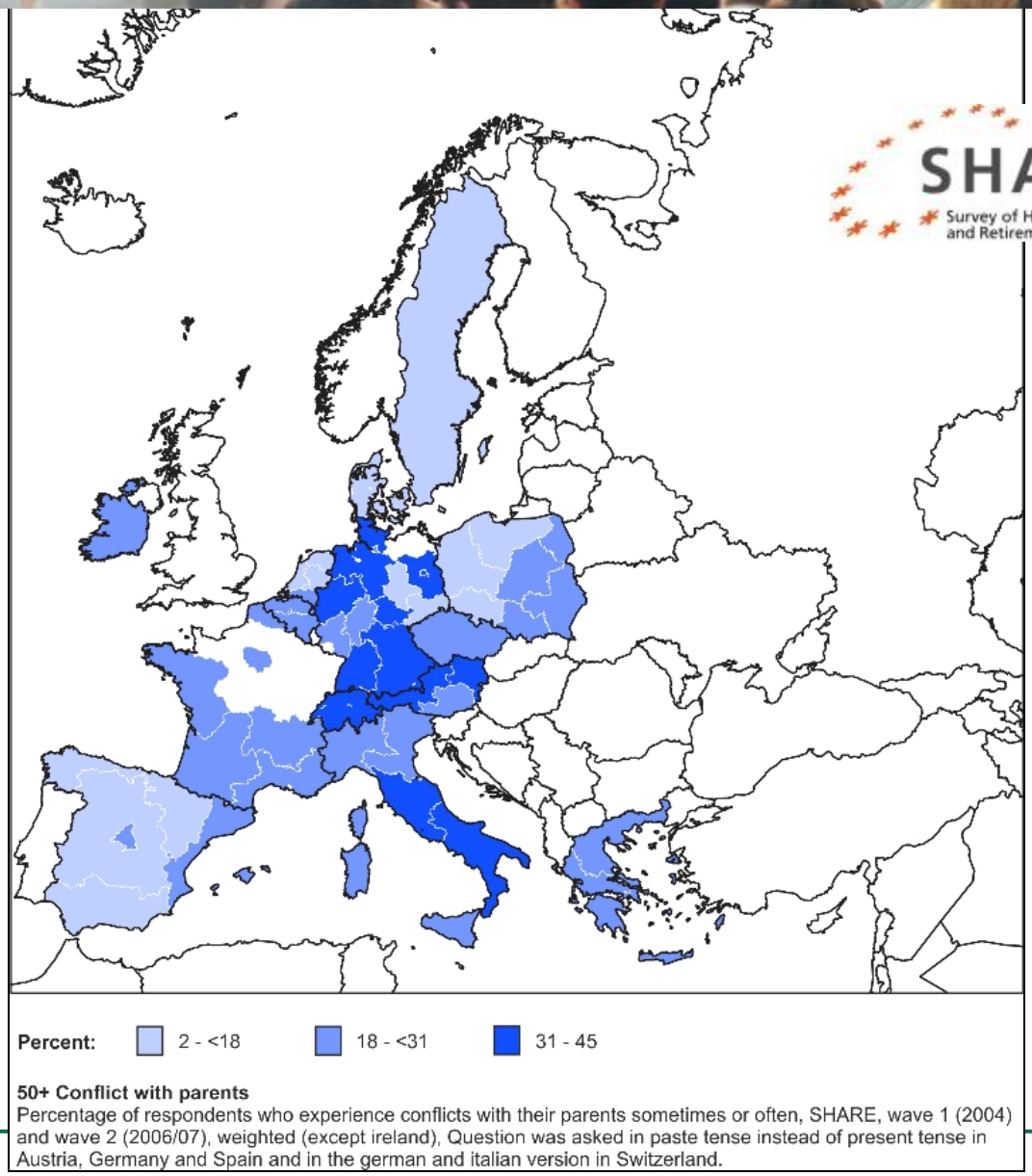

(Börsch-Supan, Heller, Reil-Held 2012)

More dimensions: regression analysis

Family relations:	
1. **Financial transfer provided to children**	**reverse**
2. **Financial transfer received from children**	**yes**
3. Conflict with children and grandchildren	reverse
4. Conflict with parents	reverse
5. **Trust to children and grandchildren**	**reverse**
6. **Trust to family members over 70**	**reverse**
Non-family relations:	
7. **Having at least one friend who is younger than 30** (all respondents)	**yes**
8. **Having at least one friend who is younger than 30** (older than 64)	**yes**
9. **Having at least one friend who is older than 70** (all respondents)	**reverse**
10. Having at least one friend who is older than 70 (younger than 30)	reverse
11. **Meeting socially at least once a week** (all respondents)	**yes**
12. Meeting socially at least once a week (younger than 30)	yes
13. **Meeting socially at least once a week** (older than 64)	**yes**
14. **Felt age discrimination** (all respondents)	**reverse**
15. Felt age discrimination (younger than 30)	reverse
16. Felt age discrimination (older than 64)	yes
Values and political preferences:	
17. **Higher taxes and spending more on social services?** (all respondents)	**reverse**
18. **Higher taxes and spending more on social services?** (younger than 30)	**reverse**
19. **Higher taxes and spending more on social services?** (older than 64)	**reverse**
20. Family or state responsible for financial support for older persons	yes
21. Family or state responsible for help with household chores for older persons	reverse
22. Family or state responsible for personal care for older persons	reverse

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(Börsch-Supan, Heller, Reil-Held 2012)

Conclusions

X-national and X-disciplinary panel data are an enormous help to better understand active aging

SHARE: *Intra-European variation in policies, histories and habits helps to* ***identify causal pathways*** *and to* ***refute prejudices****:*

- ***Health*** *is good at old age,* ***healthcare*** *a worthwhile investment*
- ***Retirement:*** *not only bliss: watch out for negative side effects*
- ***Societal cohesion:*** *upcoming intergenerational conflict a myth*

SHARE Survey of Health, Ageing and Retirement in Europe

HRS

Japanese Study of Aging and Retirement