

# Aging Forum Report

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## Data Sources on the Impact of the 2008 Financial Crisis on the Economic Well-being of Older Americans

### Summary

Measurement of the impact of the 2008 financial crisis on the economic well-being of the population aged 55 and older clearly requires reliable data on a wide spectrum of characteristics. This report summarizes the availability of data sponsored by federal agencies on this topic (see [Table](#)).

The financial crisis of 2008 presaged one of the worst economic downturns since the Great Depression of the 1930s. The Wilshire 500 stock index between its peak of October 9, 2007, and October 9, 2008, decreased 42 percent<sup>1</sup> and fell 47 percent through January 2009<sup>2</sup>. Retirement accounts of individuals aged 50 and over lost 18 percent of their value over the same 12 months<sup>3</sup> and by May 2009, retirement accounts lost \$2.7 trillion (or 31 percent) compared with September 2007<sup>4</sup>. The general economic downturn, which is deemed to have begun in December 2007, also resulted in rising unemployment, decreased spending, and falling housing prices, often coupled with threats of foreclosure<sup>5</sup>. These developments seem likely to have created a negative impact on the economic well-being of the population aged 55 and older although the extent of any such negative impact is as yet unclear<sup>6</sup>.

Some believe the negative effects from the 2008 financial crisis could be less severe for older adults than for younger adults. A representative national survey by the Pew Research Center's Social and Demographic Trends project collected extensive data in February and March 2009 on the impact of the financial crisis<sup>7</sup>. Pew Center analysts concluded that older adults are less likely than younger and middle-aged adults to report spending cuts, retirement account losses, or payment troubles for housing and medical expenses<sup>8</sup>. An analysis of 2006 Health and Retirement Study (HRS) data indicated that those nearing retirement and in retirement are less exposed to the declining stock market than the population at large<sup>9</sup>. However, the sharp market decline has a large impact on some older workers whose investment losses are unlikely to recover in time for their retirement<sup>10</sup>. In addition, housing wealth typically is held as "rainy day" insurance for economic support with large health expenses such as a nursing home or a change in family status through divorce or death of a spouse<sup>11</sup>.

The remainder of this report discusses specific data sources sponsored by federal agencies and their expected availability for use by researchers. These data sources and dates are also listed in the [Table](#).

<sup>1</sup>Munnell and Muldoon 2008; <sup>2</sup>Phillips, Kinniry, and Jaconetti 2009; <sup>3</sup>Johnson, Soto, and Zedlewski 2008; <sup>4</sup>Soto 2009; <sup>5</sup>Hurd and Rohwedder 2009; <sup>6</sup>Phillips, Kinnery, and Jaconetti 2009; MacKenzie 2008; <sup>7</sup>In order to provide readers with information about the full range of potentially relevant data sources, the Forum cites a number of private sector data sources. Such a citation should not be interpreted as endorsement of the organization or of an assessment of the quality of its data. <sup>8</sup>Morin and Taylor 2009; <sup>9</sup>Gustman, Steinmeier and Tabatabai 2009; <sup>10</sup>Butrica, Smith, and Toder 2009; <sup>11</sup>Venti and Wise 2004; Fisher et al. 2007.

**Table. Selected Summary of Federal Statistical Data Sources and Expected Release Date**

TOPICS														
					<b>A:</b> Income, poverty, and program participation									
					<b>B:</b> Pension participation									
					<b>C:</b> Type of pension and pension characteristics									
					<b>D:</b> Retirement account holdings									
					<b>E:</b> Other financial holdings than retirement accounts									
					<b>F:</b> Social Security benefits									
					<b>G:</b> Planned retirement age									
					<b>H:</b> Expenditures of retirees and near-retirees									
					<b>I:</b> Housing values and mortgages									
					<b>J:</b> Employment and unemployment rates									
DATA SET	SPONSOR <sup>1</sup>	COLLEC-TION DATE	EXPECTED PUBLIC RELEASE	PERIOD OR PANEL <sup>2</sup>	A	B	C	D	E	F	G	H	I	J
ACS	Census	2008 Annual	Oct 09	Period	x					x			x	
AHS	HUD	2009	2010	Period									x	
ALP-ECS	NIA-SSA	Nov 08 to Dec 09	Jan 10, rolling	Panel	x			x	x		x	x	x	
CE	BLS	2008, 2009	Nov 09, Nov 10	Period								x		
CPS-ASEC	Census	Mar 09	Sept 09	Period	x	x				x				x
CPS-Monthly	BLS	Monthly	Monthly	Period										x
HRS	NIA	2008, 2010	Aug 09, Aug 11	Panel	x	x	x	x	x	x	x		x	x
HRS-CAMS	SSA	Oct 09	June 10	Panel								x		
PSID	NSF/NIA/NICHD/USDA/ASPE	2009	Dec 10	Panel	x	x	x	x	x	x		x	x	x
SCF	Federal Reserve	July-Dec 2010	Feb 12	Period	x	x	x	x	x	x			x	x
SCF '07-'09 Panel	Federal Reserve	2007-2009	Early 2011	Panel	x	x	x	x	x	x			x	x
<b>SIPP</b>														
Core data	Census	Sept 08 to Dec 12	9-month lag	4-yr panel	x					x				x
Wave 3 Pensions	Census	Summer 09	May 10	Period		x	x							
Wave 4 Assets	Census	Fall 09	Jan 11	Period				x	x				x	
Wave 11 Pensions	Census	Winter 11	May 13	Panel		x	x							
SSB-S	SSA	December	Year lag	Period						x				

<sup>1</sup>List of sponsors appears on page 8. <sup>2</sup>Period denotes a cross-sectional survey. Panel denotes a longitudinal data collection.

**DATA SETS**

**ACS**—American Community Survey annual data

**AHS**—American Housing Survey

**ALP-ECS**—Economic Crisis Surveys with the American Life Panel internet survey

**CE**—Consumer Expenditure Survey

**CPS-ASEC**—Current Population Survey Annual Social and Economic Supplement in March with a portion of February and April respondents

**CPS-Monthly**—Monthly unemployment statistics released on a flow basis with a one month lag

**HRS**—Health and Retirement Study every 2 years as a panel of persons aged 51 and older

**HRS-CAMS**—consumption and activities mail survey every 2 years in odd years

**PSID**—Panel Study of Income Dynamics

**SCF**—Survey of Consumer Finances conducted every 3 years.

**SCF '07-'09 Panel**—The 2007 SCF reinterviewed in 2009

**SIPP**—Survey of Income and Program Participation interviews every 4 months over 48 months

**SSB-S**—The Annual Statistical Supplement to the Social Security Bulletin

## Income and Poverty

Several federal statistical programs collect data on income and poverty. The *Economic Crisis Surveys (ALP-ECS)* sponsored by the National Institute on Aging is perhaps the data collection most directly targeted at income after the 2008 financial crisis. Starting in November 2008 and continuing through December 2009, monthly interviews were conducted using the American Life Panel Internet capability. The ALP-ECS public data file will be released on a rolling basis beginning in January 2010, about a year after data collection.

The Federal Reserve's *Survey of Consumer Finance (SCF)*, whose focus is wealth holdings, collects income data for the previous year in its interview. The 2010 SCF with 2009 income data will be available in February 2012. The U.S. Census Bureau's *Annual Social and Economic (CPS-ASEC)* supplement to the Current Population Survey (CPS) and *American Community Survey (ACS)* provide the most current information on total annual income, major income sources, and poverty. For the CPS, income in 2008 was available in September 2009, while income in 2009 will be available in September 2010. The ACS follows a similar data release pattern with data for 2008 in October 2009.

Four major panel studies have been collecting income and poverty data that permit analysis of changing income and poverty for sample members across time. The Federal Reserve conducted a special survey in 2009 re-interviewing the 2007 SCF panel in order to measure financial holdings before and after the 2008 financial crisis. That survey, the *SCF 2007–2009 panel*, collected 2008 income to compare with the original 2006 income data from the 2007 SCF interviews. Data for public release is expected in early 2011.

The U.S. Census Bureau's *Survey of Income and Program Participation (SIPP)* collects more detailed information on income sources, program benefit receipt, and poverty for each month of a 4 year panel survey that started in September 2008. The mid-2008 to mid-2009 data should be available from SIPP by fall 2010, and the mid-2009 to mid-2010 data should be available in spring 2011.

The National Institute on Aging started the *Health and Retirement Study (HRS)* in 1992 as a panel of persons aged 51 and over, and interviews that panel in the even numbered years. The 2008 HRS interview with 2007 income data was available in preliminary form in August 2009, and the 2010 HRS with 2009 income should be available in August 2011.

Starting in 1968, the *Panel Study of Income Dynamics (PSID)* conducted interviews every odd numbered years with income collected for even number years. The 2009 interview data with 2008 income will be available in December 2010.

## Pensions

Pensions are an important source of income in later life. *CPS-ASEC* and *HRS* include pension plan income in their income measures. The *CPS-ASEC*, however, does not measure irregular income from retirement investment accounts (such as IRAs, Keoghs, and 401(k) plans), and the *HRS* does not measure income from 401(k) type accounts. The *ACS* aggregates all retirement pension income other than Social Security benefits in one item. Pension plan participation by workers, and the types of pensions they have, will help determine the economic status of future retirees. The *CPS-ASEC* collects information on worker participation in pension retirement plans, but does

not identify the type of pension plan (traditional defined-benefit-plan compared with investment account defined-contribution plan). *ASEC* data are released in September. The *SIPP* pension topical module, the *HRS*, the *PSID*, and the *SCF* all collect information on the type of pension plan, pension characteristics, and the amount contributed to retirement accounts.

The *SIPP* collected the pension module from May to August 2009, to be released in May 2010, and it will collect the same information from the same panel from January to April in 2012, for release in 2013. The *HRS* collected pension plan information in 2008 and released those data in August 2009. *HRS* will collect 2010 plan information from the same respondents, and plan to release data in August 2011. The *PSID* collected pension information in 2009 and public data will be available in December 2010. Finally, the *2007–2009 panel of the SCF* collected plan information; data will be released in early 2011, and plan information to be collected in the 2010 *SCF* will be released in February 2013.

## Financial Holdings

Several surveys sponsored by federal agencies collect data on financial holdings in retirement and other accounts: the *SCF*, the *SCF 2007–2009 panel*, the *SIPP asset/liabilities module*, the *HRS*, and the *PSID* all collect financial holdings data. The primary goal of the *SCF*, in fact, is to collect data on wealth and financial holdings, and thus oversamples people with high wealth. The *SCF 2007–2009 panel* public data will be available in early 2011. The 2010 wealth data from the *SCF* will be released in February 2013.

The *SIPP* collected the value of assets, liabilities and investment accounts in fall 2009; data will be released in winter 2011. *SIPP* will collect this information again from the same respondents in fall 2010 and fall 2011. The *HRS* also collects the value of financial holdings and retirement accounts. The 2008 interview data were released in August 2009, and the 2010 interview data for the same respondents will be released in August 2011. The *PSID* collected wealth data in 2009 and public release will be in December 2010.

## Homeownership / Reverse Mortgages

Several surveys sponsored by federal agencies collect data on homeownership, the value of homes, and mortgages owed on homes: the *ACS*, the *SCF*, the *SCF 2007–2009 panel*, the *SIPP* asset module, the *HRS*, the *PSID*, and the *American Housing Survey (AHS)* all produce data on these topics. The *ACS* contains detailed housing data formerly collected in the Decennial Census. *ACS* data are available in October of the following calendar year. The biennial *AHS* contains the most detailed information on housing including value, purchase price, source of down payment, mortgage characteristics, and owner occupied units (for all households, older households, etc.). The 2009 national survey data should be available as public microdata in early summer 2010. Tabulations from the *AHS* should also be available near the end of summer 2010. The other surveys—*SCF*, *SIPP*, *HRS*, and *PSID*—assess net worth of the home by collecting the home value and mortgage debt owed on the home.

Information on reverse mortgages is available from the *Home Equity Conversion Mortgage (HECM)* websites at HUD. The Federal Housing Administration (FHA) website has summary characteristics reports updated monthly on

HECMs by year of origination, state distribution, and lenders. (See: <http://www.hud.gov/offices/hsg/comp/rpts/hecm/hecmmenu.cfm>, and <http://www.hud.gov/offices/hsg/comp/rpts/hecmsfsnap/hecmsfsnap.cfm>.) In addition, FHA's Semi-monthly Outlook report also has some additional data on *HECM* activity. (See: <http://www.hud.gov/offices/hsg/comp/rpts/ooe/olmenu.cfm>.)

## Retirement Behaviors and Social Security

A financial crisis affects behavior associated with retirement. On the one hand, some individuals may delay starting retirement because their economic resources decreased during the crisis. On the other hand, older displaced workers may have difficulty finding employment and will seek income from income support programs such as Social Security's Disability Insurance (SSDI) or Old Age and Survivor's Insurance (OASI) programs. The most current source of employment data is the *CPS* monthly labor force data from the Bureau of Labor Statistics (BLS). BLS also provides estimates on annual average employment and unemployment; annual averages are available at the beginning of the next year (2008 data were available in January 2009). BLS usually releases monthly estimates on the first Friday of the month with public-use microdata released a few weeks later. Other surveys also provide employment information but the *CPS* data are the most current information.

The Social Security Administration compiles statistics on its program beneficiaries. (See: <http://www.socialsecurity.gov/>.) The *Statistical Supplement to the Social Security Bulletin (SSB-S)* provides data on its beneficiaries including counts

and benefit amounts of disabled workers, retired workers, spouses of workers, and survivors of workers. The current year *SSB-S* usually provides award counts lagged by a year.

## Household Spending

The 2008 financial crisis substantially reduced household spending. Surveys sponsored by federal agencies on consumer spending and costs include the *ACP-ECS*, the *HRS survey on consumption and activities (HRS-CAMS)*, and the *Consumer Expenditure Survey (CE)*. As previously discussed, the public data file from the *ACP-ECS* with spending data from selected months in 2008–2009 will be available in spring 2010. The *HRS-CAMS* started in 2001 and occurs every 2 years. Data from the 2009 *HRS-CAMS*, which was conducted in October 2009, will be publicly available in June 2010. The 2007 data for the annual *Consumer Expenditure Survey* in 2007 were released in November 2008. The 2008 *CE* will be available in November 2009, and the 2009 *CE* will be available in November 2010.

## Retirement Expectations and Attitudes

The financial situation of 2008 also may affect planning about retirement. Most surveys sponsored by federal agencies do not include attitudinal and expectation questions about retirement. The *HRS* does include questions about the age planned for retirement, expected expenditures in retirement, and attitudinal questions. Several organizations outside of the government routinely conduct attitudinal surveys about retirement, including the 2008-2009 period, but most of them prepare summary reports and do not publicly release their underlying data. The Employee Benefit Research Institute (EBRI) sponsors a retirement confidence survey, and the Society of Actuaries (SOA) sponsors a survey on



retirement risks in odd numbered years with a series of reports released shortly after data collection. EBRI released its report in spring 2009, and the SOA should release reports in fall 2009 and early 2010. (See: <http://www.ebri.org/> and <http://www.soa.org/>.)

AARP also sponsored several surveys on the impact of the financial crisis. A November 2008 survey measured the impact on older investors<sup>12</sup>. A December 2008 survey studied the impact of the financial crisis last year<sup>13</sup>. Life insurance companies also conducted surveys that shed some light on the impact of the financial crisis. For example, METLIFE regularly conducts research and surveys focused on older persons. (See: <http://www.metlife.com/mmi>.) Others conduct specialized surveys on relevant topics. A survey from Sun Life, for example, focused on how much people are planning to delay retirement as a result of the crisis. (See: <http://www.sunlife-usa.com/unretirementindex/results.cfm>.) Mutual fund companies such as Fidelity, Vanguard, and TIAA–CREF also provide information on private pension plans and participant behavior. Several consultant firms for pension and retirement plans periodically conduct surveys on plans of private sector firms in providing traditional (defined benefit) pensions and matching voluntary contributions to retirement account (defined contribution) pensions. Their studies are aimed at their client base and may not be nationally representative. These firms include Towers Perrin, Hewitt Associates, Mercer, McKinsey, and Watson Wyatt. Several firms have issued reports on the changing plans of employers. In general, more firms are considering a “freeze” of traditional plans limiting new enrollment and sometimes contributions and more firms have announced they have suspended their match for contributions to accounts.

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<sup>12</sup>AARP 2008; <sup>13</sup>Brown 2009.

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**Data Sponsors:**

Board of Governors of the Federal Reserve System  
(Federal Reserve)

Bureau of Labor Statistics (BLS)

Department of Housing and Urban Development (HUD)

National Institute of Child Health and Human Development  
(NICHD)

National Institute on Aging (NIA)

National Science Foundation (NSF)

Office of the Assistant Secretary for Planning and Evaluation,  
DHHS (ASPE)

Social Security Administration (SSA)

U.S. Census Bureau (Census)

United States Department of Agriculture (USDA)

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