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## Preface

Academics have recently shown a renewed interest in the problems of aging. Conferences have been organized to study the labor force participation, health and longevity, and savings and spending patterns of and policies and attitudes toward the aged. Scholarly articles are being written about the elderly. Large-scale surveys of the elderly population are in progress. Of course, for scholars and policy makers to take an interest in the elderly is nothing new. Many of the issues studied today were debated when states contemplated the introduction of old-age pensions in the 1910s and in the 1920s and when the Committee on Economic Security was set up to advise President Roosevelt on a system of social security. These debates, as do those today, took place when retirement rates were rising and when the share of the population that was older than sixty-four was increasing. They were not then, nor are the debates now, concerned solely with the welfare of the elderly. The behavior of the aged relates to several issues of economic interest, including the effect of aging on savings rates, investments in the next generation's human capital, and economic growth.

The debates on aging have acquired a new urgency. Although in the United States the share of the elderly population has been growing steadily for more than a century, the baby-boom generation, those children born during the fertility explosion of 1945–64, will swell the relative size of the elderly population once its members start to turn sixty-five. With relatively few working-age people in the population in proportion to the elderly, the state will find it harder to pay for the burgeoning costs of such old-age assistance programs as Social Security, Medicare, and Medicaid, which already account for more than a third of federal spending.

Rising retirement rates among men older than sixty-four are compounding the burden of caring for the elderly. When Social Security was first being considered, rising retirement was viewed as largely involuntary, attributable to the

inability of the elderly to maintain the fast work pace required by modern machinery. Now that over 80 percent of men older than sixty-four are retired, most researchers attribute the rise of retirement to such voluntary factors as rising incomes and an increased demand for leisure. By examining the origins and evolution of retirement, I hope to uncover the factors underlying the rise of retirement and determine how the relative importance of these factors has changed over time.

The increased numbers of the elderly, their longer lives, and their longer periods of retirement have changed the nature of retirement. The elderly now live in separate residences. They are now healthy enough to spend some of their retirement years engaged in recreational activities and travel. The changing nature of retirement may have increased its attractiveness relative to work and thereby induced even more retirement. These issues, too, are addressed.

Analyzing the rise of retirement requires a thorough knowledge of the data and the numbers the researcher is working with, the use of economic modeling and of demographic and statistical techniques, and some familiarity with biology. But the final results should be readily accessible to nonspecialists. I therefore explain some of the economic, demographic, and statistical concepts that may be unfamiliar to nonspecialists and, wherever possible, use graphs rather than tables to convey the patterns in the data more clearly. Nevertheless, the reader uninterested in the technical details will still be able to follow the various arguments presented. My feelings toward this book, so replete with facts, figures, graphs, and tables, are like those of Thucydides toward his *History*: "The absence of romance in my history will, I fear, detract somewhat from its interest; but I shall be content if it is judged useful by those inquirers who desire an exact knowledge of the past as an aid to the interpretation of the future, which in the course of human things must resemble if it does not reflect it. My history has been composed to be an everlasting possession, not the showpiece of an hour."

### **Acknowledgments**

Some of the ideas in these chapters originated as part of my Ph.D. dissertation written at the University of Chicago under Robert Fogel, Claudia Goldin, and Sherwin Rosen. Others originally appeared in published papers and unpublished manuscripts, including papers written with coauthors. I expand on these ideas here with new data and new methods, correct the occasional error, and polish the arguments.

The research that produced these papers and this book would not have been possible without the support of various institutions. The National Institute of Aging (NIA) and the National Science Foundation have generously funded the collection of the data used in this book under National Institutes of Health (NIH) grant AG10120 and National Science Foundation grant SES9114981, and Larry Wimmer supervised the collection of the data. I have also used data

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The study of the evolution of aging is not yet complete. This book summarizes the information available at the time of writing, but new data are being collected and are becoming available to the research community. These new data will further expand our understanding of the long-term causes underlying the rise in retirement.

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