

Preliminary and Incomplete.

Social Security Claiming and the Business Cycle

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Prepared for the 13th Annual Joint Conference of the Retirement Research Consortium
“Innovations in Retirement Security”
August 4-5, 2011
Washington, DC

The research reported herein was pursuant to a grant from the U.S. Social Security Administration (SSA) funded as part of the Retirement Research Consortium (RRC). The findings and conclusions expressed are solely those of the authors and do not represent the views of the SSA; any agency of the federal government; the Center for Retirement Research at Boston College; or the Urban Institute, its board, or its funders.

The timing of Social Security claims has important implications for older Americans and the system itself. Retirees may begin collecting benefits as early as age 62, but those who do so receive lower monthly benefits for the rest of their lives. This offset is designed to be actuarially fair overall, but groups with lower-than-average life expectancy gain by claiming early (and the system loses), whereas groups with higher-than-average life expectancy lose by claiming early. Surviving spouses may receive higher Social Security survivor benefits when their deceased husbands or wives wait until after the full retirement age (FRA) to claim Social Security. Moreover, delayed claiming confers substantial financial gains to most older adults who continue working while waiting to collect Social Security. Those additional earnings also generate income and payroll tax revenues, helping to finance Social Security and other government services.

The share of beneficiaries who claim at age 62 declined between 2000 and 2005 (Song and Manchester 2007), but early claiming may still dominate among certain groups. Relatively little is known, however, about who claims early and how these patterns are changing. Social Security claims hit an all-time high in 2009 as the large Baby Boom cohort grew older and the age-62 population soared (Johnson and Mommaerts 2010). The unusually high unemployment that accompanied the Great Recession of 2007-2009 probably also contributed to the surge in benefit take up, as many people age 62 and older unable to find work turned to Social Security to offset lost earnings. Joblessness may lead to more early claims today than in previous recessions because very few states now reduce unemployment insurance (UI) payments to Social Security beneficiaries. Increases in the level of earnings exempt from the retirement earnings test before the FRA and the elimination of the earnings test after the FRA may have weakened the relationship between claiming and labor force exits. Deteriorating job prospects for low-skilled workers may also have altered the pool of early claimants.

This study uses household survey data from 1984 to 2009 linked to administrative records on earnings, benefits, and mortality to examine Social Security claiming behavior. It examines the characteristics of early claimants and how they have changed over time; the determinants of Social Security claiming and how it responds to the business cycle; and the consequences of early claiming for beneficiaries and system payouts.

This paper builds on and extends the claiming literature. Prominent previous studies include Coile et al. (2002) and von Wachter (2009). Additionally, Burkhauser, Couch, and Phillips (1996) and Panis et al. (2002) examined the characteristics of early claimants, finding

that the majority were in good health and receiving an employer-sponsored pension benefits. None of these studies, however, examined the role of the business cycle nor used data more recent than 2002 (and some of these studies used much older data). Some recent research has examined the impact of local labor market conditions on older adults' labor force participation (Friedberg and Webb 2008; Munnell et al. 2008), but did not consider Social Security claiming or its consequences. The impact of early claiming on lifetime payouts is not well understood (although Sun and Webb (2009) have demonstrated the important insurance benefits of delaying). This paper fills the gap in the literature by showing how early claiming responses to economic downturns vary by education, race, lifetime earnings, health status, and other factors and how they have changed over time. It will also measure the value of benefits lost or gained by early claiming.

Because claiming ages vary widely and they have important consequences for beneficiaries' economic well-being and the financial health of the system, it is crucial to understand claiming behavior and the characteristics of beneficiaries who claim early. Analyses based on the most recent data available are vital, because claiming ages have been shifting (Song and Manchester 2007) and recent economic and policy changes have likely altered the pool of early claimants. Today's high unemployment raises the imperative to understand how the business cycle affects early claiming and the system's financial health. Up-to-date information on early claiming will also become increasingly important as the policy debate over raising the retirement age intensifies and questions arise about the optimal spread between the early entitlement age and the FRA.

Methods

Our data come from the Survey of Income and Program Participation (SIPP) matched to administrative records that allow us to measure lifetime earnings and the timing of Social Security benefit claiming and death. The SIPP is a nationally representative longitudinal household survey conducted by the U.S. Census Bureau that collects data on employment, job characteristics, income, assets, program participation, health status, demographics, and other topics. It consists of a series of panels that follow respondents from between two-and-a-half and four years. Households are surveyed every four months, but SIPP collects information from respondents on many topics, including employment and income, for each of the preceding three

months as well as the survey month. We use the following SIPP panels: 1984 (which first interviewed respondents in September 1983, collecting data from as early as June 1983), 1990, 1991, 1992, 1993, 1996, 2001, 2004, and 2008. The most recent available interview from the 2008 panel was conducted in July 2010.

Each of the SIPP panels we examine has been linked to Summary Earnings Records (SER), the Master Beneficiary Record (MBR), and death information from the Numident. These special linked files may be accessed by researchers who have been granted special permission and who follow strict protocols in secure data facilities. The SER reports earnings in Social Security-covered employment each year up to the earnings cap. The MBR indicates the date of initial Social Security benefit receipt, the amount received each month, and the type of benefit received (i.e., retirement, disability, or survivor). The Numident death information includes month and year of death. These records begin in 1951 and are now available through 2009.

There are several important advantages of using SIPP interview data linked to administrative records to study how the business cycle affects Social Security claiming behavior. The share of SIPP respondents with valid matches varies from panel to panel (Sears and Rupp 2003), but the overall match rate is quite high, averaging 83 percent for the 1996, 2001, 2004, and 2008 panels (Favreault and Nichols 2011). By comparison, the match rate is much lower in the Health and Retirement Study, the nation's premier aging dataset which also includes links to Social Security administrative data but only for respondents who explicitly grant permission for such linkages. Moreover, SIPP respondents with valid links to administrative records do not appear to differ systematically from those without valid links (Czajka, Mabli, and Cody 2008), so analyses restricted to linked respondents are unlikely to be badly biased. The multiple SIPP panels and linked administrative data span several decades, running from 1983 to 2009, allowing us to observe several recessions (those of 1990-91, 2001, and 2007-09, when unemployment was especially high, as well as the aftermath of the 1981-82 recession). Our sample also covers periods of strong economic growth and low unemployment. Although our sample is quite large, it is much smaller than the millions of records available in unlinked administrative files. However, we have access to survey information (such as health status, education, and wealth) that are not available in administrative files and that likely have strong effects on claiming behavior. The survey also includes indicators for state of residence, allowing us to link respondents to state unemployment rates.

Descriptive Analyses

We begin by showing how Social Security claiming ages have changed over time and how they vary by education, earnings, and health status. For these analyses we pool all of our linked SIPP panels and compute Social Security claiming age for those with at least 40 quarters of covered earnings who survive to age 62. Only adults with 40 or more quarters of earnings are eligible to claim on their own records. (People may also claim on their spouses' earnings records, but only if the spouse has already claimed or is deceased.) We calculate claiming ages by education and lifetime earnings quartile as of age 61. Earnings are adjusted by changes in the consumer price index and quartiles are computed separately by sex and five-year birth cohort (except when otherwise noted). All of our tabulations are conducted separately for men and women, because claiming ages—like employment—vary by sex. For each of these groups, we report the share who claims at age 62, 63 to 64, and age 65 and older, for those who did not claim before age 62. We also show the share who claim at age 66 and after age 66. Tabulations generally exclude those who claim before 62 because most adults are not eligible to claim that early. Generally only adults with severe disabilities and widows and widowers may claim benefits before age 62.

Because this first set of tabulations incorporates only data from the administrative records (date of initial benefit receipt, lifetime earnings, number of covered quarters) or time-invariant data from the SIPP interviews (education, sex), we do not need to restrict the sample to respondents who were interviewed at the time they claimed. Including those interviewed by SIPP long before they claimed or long afterwards enables us to greatly increase our sample size. However, we need to consider carefully sample selection issues, especially with regard to mortality. Everyone in our linked dataset must have survived to the SIPP interview. Thus, if we include those born in 1910, say, we are implicitly conditioning on surviving to age 73 (their age in 1983 when the first panel [1984] begins). Those who survive to age 73 may exhibit different claiming behavior than those who survive only to 62, so this condition could bias our estimates. To reduce the potential for this type of mortality bias, we generally restrict our sample to those born after 1919. The earliest cohort in our sample—those born in 1920—need only survive to age 63 for inclusion in the analyses. We also restrict this sample to respondents born in 1944 or earlier. Those in the most recent birth cohort are age 65 in 2009, the most recent year of currently available administrative records. This sample includes 40,225 men and 37,630 women.

We then dig deeper into early claiming behavior by showing how the share of 62-year-olds who claim at that age—their first year of eligibility for retirement benefits in most cases—changes over time. We also show the share who have claimed before 62. The sample used to estimate the share claiming before 62 is restricted to men and women who have accumulated at least 40 quarters of covered earnings or claimed before age 62, and consists of 45,771 men and 44,012 women. These tabulations show claiming for men and women who turn 62 between 1978 and 2009.

Our final descriptive analysis shows how claiming behavior varies by health status. SIPP respondents are asked periodically (in topical modules) to rate their health status as excellent, very good, good, fair, or poor. Because this information is available only during the observed SIPP panel, for this analysis we restrict our sample to respondents born between 1930 and 1944, all of whom are interviewed at age 62. However, health status is not collected at the same age for all respondents. We measure health status at the age when the information is collected that is closest to 62. This sample includes 9,507 adults. Because the sample is relatively small, we show differences in claiming by health status only for men and women combined.

Estimating hazard models

We then estimate probit models of the probability of claiming Social Security benefits at age 62 or later. Because the data are arranged in person-wave format, the sample is restricted to those eligible for benefits (40 or more covered quarters), and respondents are dropped from the sample once they have taken up benefits (and thus are no longer at risk of claiming), the results can be interpreted as discrete-time hazard models of benefit claiming (Allison 1984). The advantage of these models is that they readily accommodate time-varying predictors. We estimate separate models for men and women. The dependent variable equals one if the respondent claims in the next month, zero otherwise. The model includes controls for the state-level unemployment rate, the natural log of lifetime earnings, the increase in monthly benefits that would result from delaying take-up one month, health status, year of birth, and demographics (education, marital status, race, and age). (The next version of the paper will also control for household wealth.) The sample includes 37,912 person-month observations on 4,199 men and 33,881 person-month observations for 3,900 women.

Results

Claiming Ages by Cohort

Figures 1 and 2 show the overall age pattern of claiming behavior for adults age 62 and older with 40 quarters or more of covered earnings. For men, the share claiming at 62 increases from 49.5 to 55.3 percent between the 1920-24 and 1930-34 cohorts, but then declines steadily, falling to 46.4 percent for the 1940-44 cohort. The share claiming at ages 63 or 64 declines from 27.2 percent in the 1920-24 cohort to 16.4 percent in the 1940-44 cohort. The share claiming at 65 or older shrinks from 23.3 to 21.5 percent as the proportion claiming at 62 increases through the 1930-34 cohort, and then reverses, growing rapidly, to 37.1 percent by the 1940-44 cohort.

For women, the portion claiming at 62 holds fairly steady at about 57 percent for the 1920-24, 1925-29, and 1930-34 cohorts. It then shrinks for later cohorts, falling to 49 percent for the 1940-44 cohort. The share claiming at 63 or 64 starts at around 22 percent in our sample, fluctuates somewhat, and ends up declining to 17.2 percent by the 1940-44 cohort. The share claiming at 65 or older grows monotonically. It starts at 20.0 percent in our sample and reaches 33.8 percent for the 1940-44 cohort.

Figure 3 examines claiming age in more detail, breaking down claiming after age 65 and comparing the distribution of claiming age by single year of birth. It reveals a steep decline in the share claiming at age 65 in the 1943 cohort and a corresponding spike in the share claiming at age 66. Compared to the 1942 birth cohort, the share claiming at age 65 fell 15 percentage points in the 1943 cohort (from 28 to 13 percent), while the share claiming at age 66 increased 14 percentage points (from 2 to 16 percent). The share claiming at other ages did not change much.

Figure 4 compares the share claiming at 62 for men and women by single year of birth. That share is plotted against the year they turn 62. The shaded bars in the figure indicate recessionary years, as defined by the National Bureau of Economic Research. The sample extends through the 1947 birth cohort, which turned 62 in 1947.

For men, the share claiming at 62 increases fairly steadily from 1978, when it stood at 36.9 percent, to 1994, when it peaked at 58.0 percent. It then fell fairly steadily, reaching a post-1994 low of 38.8 percent in 2007 before rebounding a bit to 42.0 percent in 2008. For women, the share claiming at 62 generally fluctuated between 55 and 60 percent during the 1980s and early 1990s, before declining fairly steadily beginning in the mid-1990s. From 1994 to 2009, the share of 62-year-old eligible women claiming benefits fell from 61.1 to 46.5 percent.

A strong relationship between early claiming and economic recessions is not immediately evident in the figure. Age-62 claiming did increase for men in 2008 and remained relatively high in 2009, as the economy contracted sharply and unemployment soared during the Great Recession. But women's claiming did not change much during the downturn. Early claiming among both men and women increased somewhat during the relatively mild 2001 recession, but not during the 1991-92 recession. These relatively small blips are overshadowed by the more substantial secular trend in claiming before and after the mid-1990s.

Figure 5 shows the share of men and women claiming Social Security before age 62, by the year they turn 62. These very early claimers represent a combination of adults claiming early Social Security disability benefits and widows and widows taking up survivor benefits at age 60 or 61. The figure represents a stock of beneficiaries in the given year, not a flow, because these adults claimed in earlier years. The increase over time in the share of men collecting benefits before age 62 is striking; the portion grew from 9 percent in 1984 to 15 percent in 2009, a relative increase of about 57 percent. This trend is consistent with the well-known secular increase in disability claimants. For women, we see a decline in the share claiming before age 62 between 1978 and the mid-1990s (likely reflecting a drop in early claiming by widows), followed by an increase over the past 15 years (likely reflecting heightened disability claiming). Although women remain more likely than men to claim before age 62, the gap is much smaller today than in the late 1970s and early 1980s.

Claiming Ages by Cohort and Individual Characteristics

Table 1 breaks down the claiming percentages by level of completed education for men and women. The share claiming at 62 falls sharply with higher levels of education, and the share waiting until 65 or later increases correspondingly. The portion claiming at intermediate ages does not vary much by education (although well-educated women are somewhat more likely to claim at age 63 or 64 than those with limited education). Within each educational group for men and all but one educational group for women, we see the same pattern that prevailed in the aggregate: age-62 claims increase over time through the 1930-34 cohort, and then decline. The exception is women without a high school diploma, who were less likely to claim at age 62 with each successive cohort. Also, cohort differences were less pronounced among men with more than a bachelor's degree. These very well educated men have always been relatively unlikely to

claim early. It is noteworthy that in the 1940-44 cohort both men and women with only a high school diploma as well as those who did not even complete high school were less likely claim benefits at age 62 in the 1940-44 cohort than in previous cohorts. Delays are not confined to well-educated adults.

Table 2 breaks down the distribution of claiming ages by quartiles of lifetime covered earnings received through age 61. The overall trend is consistent with the observed educational differences, with the top earners claiming later than those with the lowest earnings for both men and women. However, the earnings differences in claiming are less pronounced than the educational differences. Limited education appears to be a stronger predictor of early claiming than low earnings.

Table 3 shows age patterns of claiming by self-reported health status for respondents who were interviewed in the SIPP panel when they turned 62. In this subsample, people in better health claim later than those in worse health. The share claiming at age 62 fell sharply over the past 10 years for those in excellent, very good, and good health, but it has not fallen much for people in fair or poor health.

Hazard Models

Tables 4 and 5 show the marginal effects from a series of discrete-time hazard models of initial Social Security benefit claims, for men and women respectively. Each column reports results from a different model that adds covariates to the previous specification. Standard errors are indicated in parentheses, with single asterisks indicating significance at the 5 percent level and double asterisks indicating significance at the 1 percent level. A hash (#) indicated marginal significance at the 10 percent level.

Men

Results for men (table 4) indicate that those born between 1940 and 1944 are significantly less likely to claim each month than those born 10 years earlier (between 1930 and 1934). The later cohort is 0.9 percentage points less likely to claim than the earlier cohort, or about 16 percent less likely in relative terms. (The mean likelihood of claiming each month for men in our sample is 0.0562.) This estimated difference does not change much when we add controls for education, health status, earnings, unemployment, or other factors. Men born between 1945 and 1947, who turned age 62 between 2007 and 2009, are not significantly less

likely to claim than those in the 1930-34 birth cohort when we do not control for other factors. However, they are significantly less likely to claim once we hold the unemployment rate constant. When all factors in our model are held constant (including unemployment and age), men born 1945 to 1947 are 2.1 percentage points (or 37 percent) less likely to claim than their counterparts born 1930 to 1934.

Education and health status significantly influence men's claiming behavior. Men with a bachelor's degree are about 2.0 percentage points (or 36 percent) less likely to claim than those with only a high school diploma when we hold other factors constant, and those with more than a bachelor's degree are 3.2 percentage points (or 57 percent) less likely to claim. However, there is no significant difference between those without a high school diploma and those with no more than a high school diploma. Those in fair or poor health are 2.8 percentage points (or 50 percent) more likely to claim than men in excellent or very good health. Hispanics are significantly less likely than non-Hispanic whites to claim, but there is no significant difference in claiming behavior between African American and non-Hispanic white men. Marital status does not significantly affect men's claiming behavior either.

Unemployment boosts early claiming for men. A one percentage point increase in the state unemployment rate increases the likelihood of claiming Social Security benefits by 0.2 percentage points, or about 4 percent, when other factors are held constant. Between 2007 and 2010, the national unemployment rate for men age 55 to 61 increased about 5 percentage points, from 3.2 to 8.1 percent (Urban Institute Program on Retirement Policy 2011). Applying this increase to our model estimates implies that the Great Recession boosted men's Social Security claiming by about 1 percentage point, or 18 percent.

Women

Table 5 reports results for women. As with men, women born between 1940 and 1944 are significantly less likely to claim Social Security benefits than those born between 1930 and 1934. Women born in the later cohort are 1.3 percentage points (or 21 percent) less likely to claim each month than those born in the earlier cohort. (The mean likelihood of claiming each month for women in our sample is 0.0626.) The estimated difference between the two cohorts is similar when we hold our full set of controls constant, including age. When those factors are held constant, women born 1945 to 1947 are also 21 percent less likely to claim than women in the

1930-34 birth cohort. Women born 1921 to 1924 are 3.6 percentage points (or 58 percent) *more* likely to claim than those in the 1930-34 cohort. However, this difference diminishes as more controls are added to the model, suggesting that changes over time in education, women's marital status, and health status explain part of the delay in claiming for women between the early 1980s and early 1990s.

Education, health, and marital status all affect women's claiming behavior. Relative to women with only a high school diploma, those with a bachelor's degree are 1.8 percentage points (or 29 percent) less likely to claim benefits each month, and those more than a bachelor's degree are 3.3 percentage points (or 53 percent) less likely to claim. Health problems encourage women to claim early; those in fair or poor health are 1.5 percentage points (or 24 percent) more likely to claim than those in excellent or very good health. Unlike for men, women's marital status has large effects on claiming. Never married women are 2.5 percentage points (or 40 percent) less likely to claim than married women, while divorced, separated, and widowed women are 4.5 percentage points (or 72 percent) less likely to claim. There are no significant differences in claiming between Hispanic, African American, and non-Hispanic white women.

Interestingly, the business cycle does not appear to affect women's claiming behavior much. The coefficient on the state unemployment rate in our model is small and statistically insignificant. This result stands in marked contrast to our finding for men.

Next Steps

At this stage our estimates are preliminary and our results remain tentative. As we continue to refine our estimates, we will pay special attention to how unemployment effects vary across different segments of the population. For example, while we find that the unemployment rate has modest effects on claiming for men overall (and virtually no effect for women), the impact may be much larger for men (and women) with limited education, who are most likely lose their jobs during economic downturns. We will also explore changes over time in the responsiveness of claiming behavior to the business cycle. Finally, we will use the Numident to examine how early claimers' mortality differs from those who claim later.

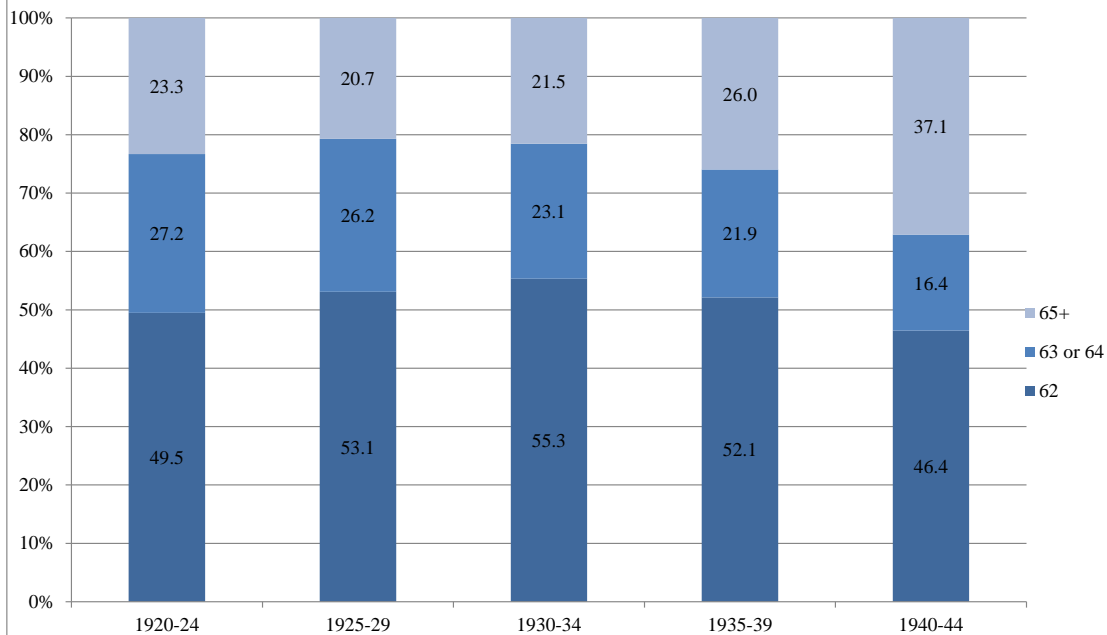
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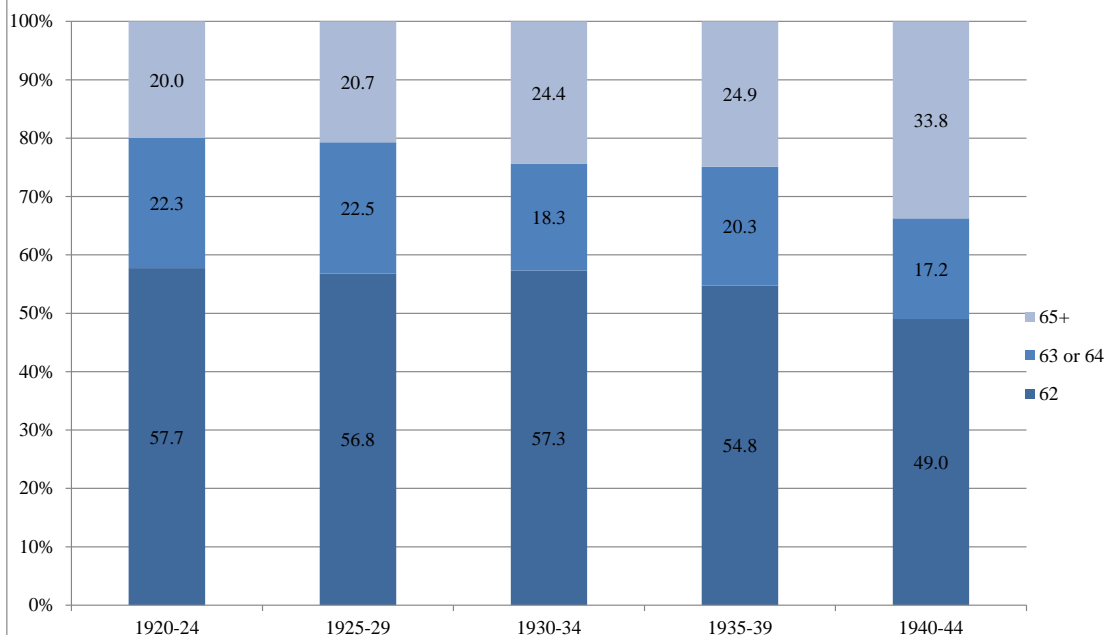
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Figure 1. Distribution of Social Security Claiming Age for Men Who Did Not Claim before Age 62, by Birth Cohort (%)



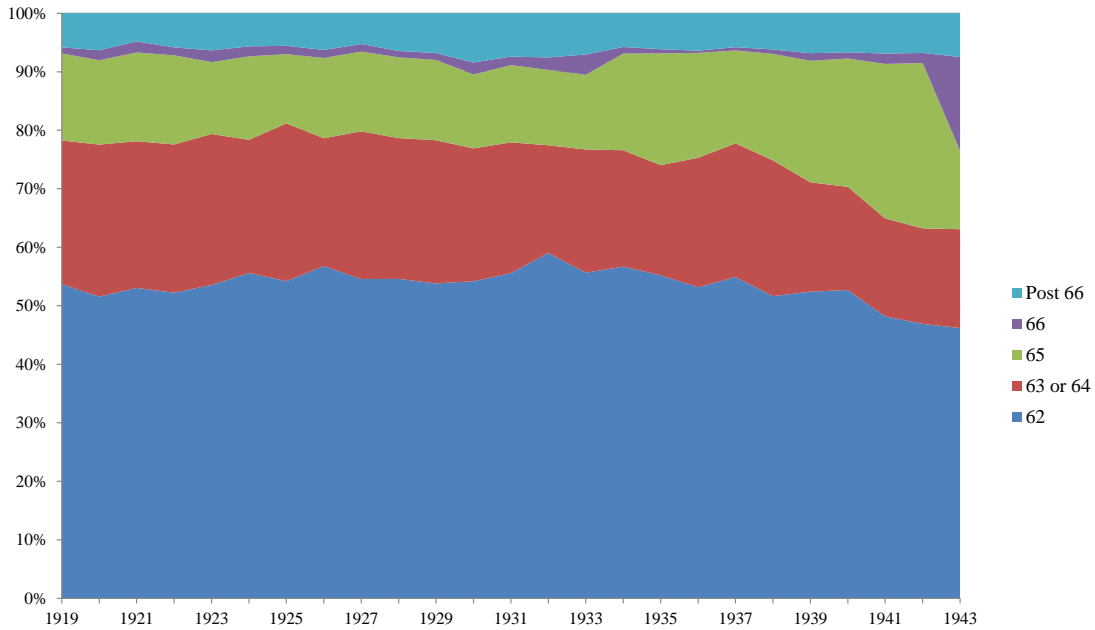
Source: Authors' estimates from the 1984 to 2008 SIPP panels linked to administrative benefit records.
 Note: The sample is restricted to men with 40 quarters of covered earnings who did not claim benefits before age 62.

Figure 2. Distribution of Social Security Claiming Age for Women Who Did Not Claim before Age 62, by Birth Cohort (%)



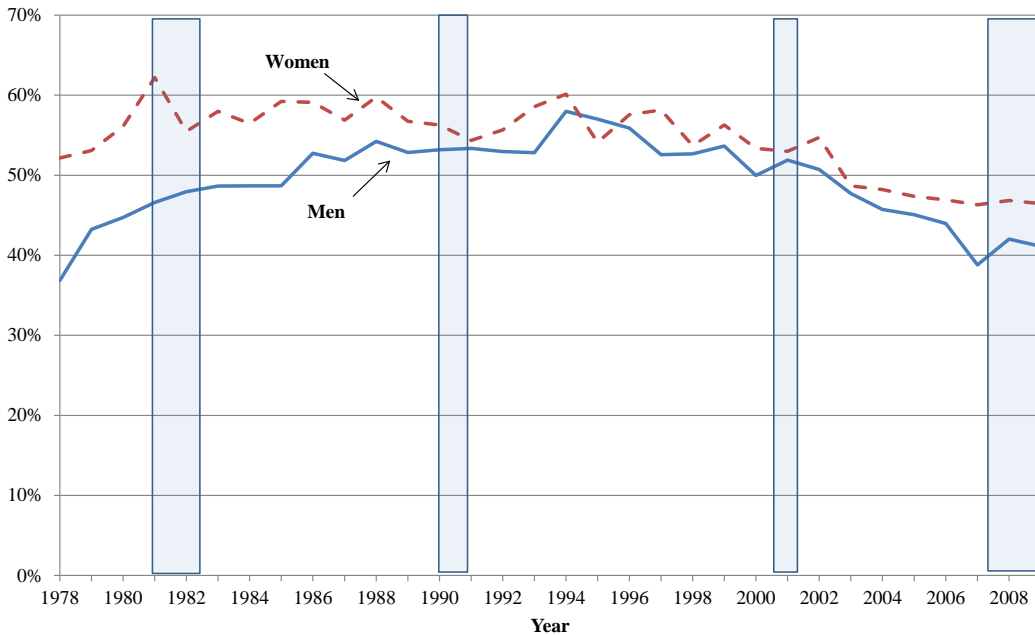
Source: Authors' estimates from the 1984 to 2008 SIPP panels linked to administrative benefit records.
 Note: The sample is restricted to women with 40 quarters of covered earnings who did not claim benefits before age 62.

Figure 3. Distribution of Social Security Claiming Age for Men and Women who Did Not Claim Before Age 62, by Single Year of Birth



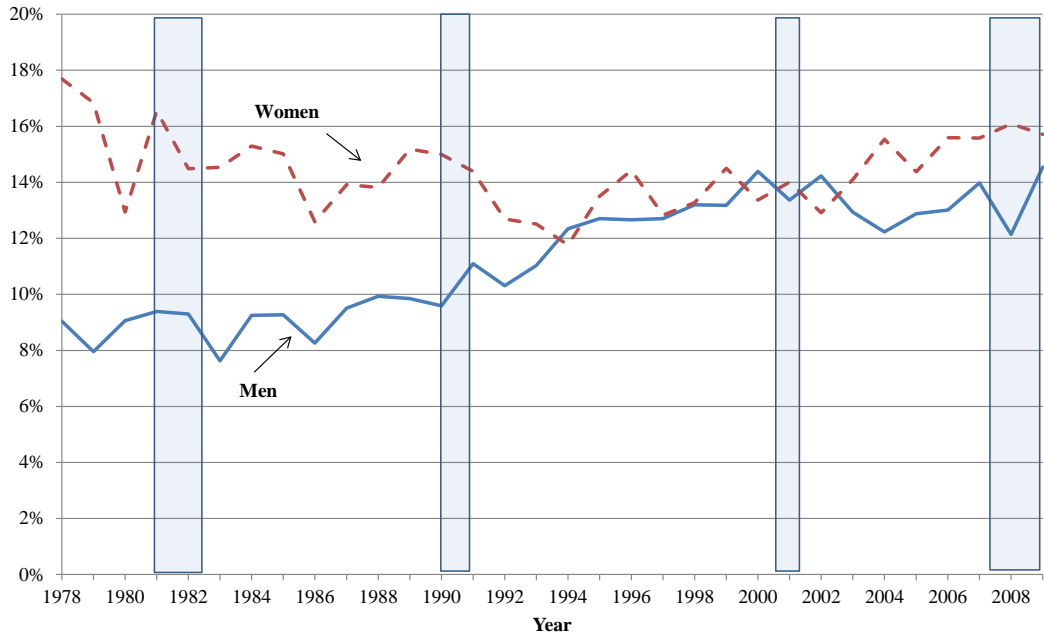
Source: Authors' estimates from the 1984 to 2008 SIPP panels linked to administrative benefit records.
 Note: The sample is restricted to men and women with 40 quarters of covered earnings who did not claim benefits before age 62.

Figure 4. Percentage of Men and Women Claiming Social Security at Age 62, by Year Turning 62 and Economic Recessions, 1978-2009



Source: Authors' estimates from the 1984 to 2008 SIPP panels linked to administrative benefit records.
 Note: Shaded areas indicate recessions. The sample is restricted to men and women with 40 quarters of covered earnings by age 62 who did not claim benefits before 62.

Figure 5. Percentage of Men and Women Claiming Social Security before Age 62, by Year Turning 62 and Economic Recessions, 1978-2009



Source: Authors' estimates from the 1984 to 2008 SIPP panels linked to administrative benefit records.

Note: Shaded areas indicate recessions. The sample is restricted to men and women who claimed before age 62 or had accumulated 40 quarters of covered earnings by age 62.

Table 1. Distribution of Social Security Claiming Age by Education, Birth Cohort, and Sex (%)

	Men			Women		
	62	63 or 64	65+	62	63 or 64	65+
Not High School Grad						
1920-24	58.1	27.5	14.4	65.9	17.9	16.2
1925-29	60.8	24.9	14.3	61.3	21.2	17.5
1930-34	62.9	20.9	16.2	60.4	13.9	25.7
1935-39	58.8	20.5	20.7	58.3	15.9	25.8
1940-44	55.5	16.8	27.7	57.4	14.8	27.8
High School Grad						
1920-24	53.3	26.2	20.5	58.8	23.1	18.1
1925-29	58.1	25.5	16.4	60.3	21.7	18.1
1930-34	59.8	22.9	17.4	62.7	17.2	20.1
1935-39	58.8	22.4	18.8	59.2	19.9	20.9
1940-44	53.1	16.7	30.2	54.3	15.6	30.1
Some College						
1920-24	46.8	28.9	24.4	49.1	25.0	25.9
1925-29	52.9	26.0	21.1	53.2	22.9	24.0
1930-34	56.7	23.1	20.2	51.4	22.1	26.4
1935-39	52.3	22.3	25.4	52.8	20.7	26.5
1940-44	48.6	18.1	33.3	47.9	18.2	33.9
Bachelor's Degree						
1920-24	34.5	27.1	38.4	46.4	27.3	26.2
1925-29	38.0	32.1	29.9	46.5	25.3	28.3
1930-34	49.4	24.2	26.4	49.1	19.9	31.0
1935-39	43.6	21.8	34.6	46.9	25.3	27.8
1940-44	37.5	16.6	45.9	39.4	20.5	40.1
Advanced Degree						
1920-24	31.0	26.6	42.4	42.7	25.5	31.9
1925-29	33.3	25.7	40.9	39.5	29.1	31.5
1930-34	36.1	26.3	37.5	43.1	23.5	33.4
1935-39	36.1	22.1	41.9	41.7	23.6	34.7
1940-44	33.0	13.4	53.7	35.3	19.3	45.4

Source: Authors' estimates from the 1984 to 2008 SIPP panels linked to administrative benefit records.

Note: The sample is restricted to adults with 40 quarters of covered earnings.

Table 2. Distribution of Social Security Claiming Age by Lifetime Earnings Quartile, Birth Cohort, and Sex (%)

	Men			Women		
	62	63-64	65+	62	63-64	65+
Bottom						
1925-29	54.4	23.2	22.4	57.8	20.2	22.1
1930-34	53.9	20.6	25.5	54.3	15.2	30.6
1935-39	53.1	18.3	28.5	54.1	16.5	29.4
1940-44	48.2	16.4	35.3	53.2	16.8	30.0
Second						
1925-29	59.3	25.3	15.4	65.5	18.0	16.5
1930-34	61.6	23.7	14.7	67.5	15.5	17.0
1935-39	52.9	26.3	20.8	63.4	18.1	18.5
1940-44	48.6	18.6	32.8	56.3	17.5	26.2
Third						
1925-29	58.7	25.1	16.2	56.3	24.4	19.3
1930-34	60.5	23.7	15.8	56.3	20.7	23.1
1935-39	57.9	23.2	18.9	52.6	22.5	24.9
1940-44	52.2	16.3	31.5	46.1	18.2	35.7
Top						
1925-29	41.2	30.5	28.3	48.7	26.7	24.6
1930-34	46.5	24.2	29.2	51.6	21.3	27.1
1935-39	45.3	20.1	34.7	49.7	23.6	26.7
1940-44	37.8	14.7	47.5	41.8	16.4	41.8

Source: Authors' estimates from the 1984 to 2008 SIPP panels linked to administrative benefit records.

Note: Lifetime earnings are measured as of age 61, and expressed in constant (price-adjusted) dollars. The sample is restricted to adults with 40 quarters of covered earnings.

Table 3. Distribution of Social Security Claiming Age by Health Status, Birth Cohort, and Sex (%)

	All		
	62	63 or 64	65+
Excellent or Very Good			
1925-29	47.0	28.7	24.3
1930-34	51.7	23.8	24.5
1935-39	48.4	20.5	31.1
1940-44	42.9	17.3	39.8
Good			
1925-29	59.6	21.2	19.2
1930-34	57.9	20.4	21.6
1935-39	58.3	17.9	23.8
1940-44	49.8	16.4	33.8
Fair or Poor			
1925-29	59.6	15.3	25.1
1930-34	61.3	16.5	22.2
1935-39	62.0	13.2	24.7
1940-44	60.5	11.5	28.0

Source: Authors' estimates from the 1984 to 2008 SIPP panels linked to administrative benefit records.

Note: The sample is restricted to adults with 40 quarters of covered earnings.

Table 4. Marginal Impact on the Likelihood of Claiming Social Security Benefits, Men

	(1)	(2)	(3)	(4)	(5)
Cohort					
1921-24	0.009 (0.006)	0.005 (0.005)	0.0003 (0.005)	0.002 (0.006)	-0.002 (0.005)
1925-29	-0.001 (0.004)	-0.0004 (0.004)	-0.002 (0.004)	-0.003 (0.004)	-0.002 (0.004)
[Reference: 1930-34]	...	...	...	...	...
1935-39	-0.001 (0.004)	-0.002 (0.004)	0.001 (0.004)	0.001 (0.004)	0.0001 (0.004)
1940-44	-0.009** (0.003)	-0.006* (0.003)	-0.004 (0.003)	-0.007* (0.003)	-0.009** (0.003)
1945-47	-0.006 (0.004)	-0.0004 (0.004)	-0.006 (0.005)	-0.01* (0.005)	-0.021** (0.004)
Education					
Not High School Grad	...	0.003 (0.004)	0.003 (0.004)	0.005 (0.004)	0.002 (0.004)
[Ref: High School Grad]	...	...	...	...	...
Some College	...	-0.007# (0.004)	-0.007# (0.004)	-0.007* (0.004)	-0.006 (0.004)
Bachelor's Degree	...	-0.02** (0.004)	-0.021** (0.004)	-0.021** (0.004)	-0.02** (0.004)
More than Bachelor's	...	-0.032** (0.003)	-0.032** (0.003)	-0.033** (0.003)	-0.032** (0.003)
Marital Status					
[Reference: Married]	...	...	...	...	...
Divorced, separated, or widowed	...	0.005 (0.004)	0.005 (0.004)	0.006 (0.004)	0.006 (0.004)
Never Married	...	0.006 (0.006)	0.006 (0.006)	0.009 (0.006)	0.008 (0.006)

(continued)

Table 4 (continued).

	(1)	(2)	(3)	(4)	(5)
Race					
[Ref: White, Non-Hispanic]
Black, Non-Hispanic	...	-0.0004 (0.004)	0.00002 (0.004)	0.002 (0.005)	0.001 (0.004)
Hispanic	...	-0.022** (0.005)	-0.023** (0.005)	-0.021** (0.005)	-0.018** (0.005)
Other, Non-Hispanic	...	-0.02** (0.005)	-0.02** (0.005)	-0.016** (0.006)	-0.015* (0.006)
Health Status					
[Ref: Excellent or Very Good]
Good	...	0.011** (0.003)	0.011** (0.003)	0.011** (0.003)	0.011** (0.003)
Fair or Poor	...	0.026** (0.004)	0.026** (0.004)	0.029** (0.004)	0.028** (0.004)
State-Level Unemployment Rate	0.002** (0.001)	0.003** (0.001)	0.002* (0.001)
Log of Lifetime Earnings at Age 61	0.003# (0.002)	0.001 (0.002)
Change in Monthly Social Security Benefits from Delaying Benefits by One Month	0.001** (0.0001)	0.001** (0.0001)
Age					
[Reference: 62]
63	-0.062** (0.002)
64	-0.06** (0.003)
65 or older	0.128** (0.048)
N	37,912	37,912	37,912	37,912	37,912
Pseudo R-squared	.001	.0157	.0163	.0209	.0657
Mean of dependent variable	.0562	.0562	.0562	.0562	.0562

Source: Authors' computations from the 1984-2008 SIPP panels linked to administrative records, spanning the years 1983 to 2009.

Note: Standard errors are in parentheses. The models are estimated on a person-month sample of men age 61 and 11 months or older with 40 years of covered earnings who have not yet claimed Social Security benefits.

** $p < .01$; * $.01 \leq p < .05$; # $.05 \leq p < .10$

Table 5. Marginal Impact on the Likelihood of Claiming Social Security Benefits, Women

	(1)	(2)	(3)	(4)	(5)
Cohort					
1921-24	0.036** (0.008)	0.022** (0.007)	0.021** (0.007)	0.022** (0.008)	0.014# (0.007)
1925-29	-0.007 (0.005)	-0.004 (0.005)	-0.005 (0.005)	-0.005 (0.005)	-0.004 (0.005)
[Reference: 1930-34]	...	...	...	...	...
1935-39	-0.009* (0.004)	-0.005 (0.004)	-0.004 (0.004)	-0.004 (0.004)	-0.006 (0.004)
1940-44	-0.013** (0.003)	-0.005 (0.004)	-0.004 (0.004)	-0.006# (0.004)	-0.01** (0.004)
1945-47	0.002 (0.005)	0.007 (0.005)	0.006 (0.006)	0.002 (0.006)	-0.013** (0.005)
Education					
Not High School Grad	...	0.01* (0.005)	0.01* (0.005)	0.011* (0.005)	0.009# (0.005)
[Ref: High School Grad]	...	...	...	...	...
Some College	...	-0.016** (0.003)	-0.016** (0.003)	-0.017** (0.003)	-0.015** (0.003)
Bachelor's Degree	...	-0.018** (0.004)	-0.018** (0.004)	-0.019** (0.004)	-0.018** (0.004)
More than Bachelor's	...	-0.032** (0.004)	-0.032** (0.004)	-0.035** (0.004)	-0.033** (0.004)
Marital Status					
[Reference: Married]	...	...	...	...	...
Divorced, separated, or widowed	...	-0.048** (0.003)	-0.048** (0.003)	-0.049** (0.003)	-0.045** (0.003)
Never Married	...	-0.026** (0.006)	-0.026** (0.006)	-0.027** (0.006)	-0.025** (0.006)

(continued)

Table 5 (continued).

	(1)	(2)	(3)	(4)	(5)
Race					
[Ref: White, Non-Hispanic]
Black, Non-Hispanic	...	0.002 (0.005)	0.002 (0.005)	0.002 (0.005)	0.001 (0.005)
Hispanic	...	-0.002 (0.007)	-0.002 (0.007)	-0.002 (0.007)	-0.001 (0.007)
Other, Non-Hispanic	...	-0.015* (0.006)	-0.016* (0.006)	-0.015* (0.006)	-0.013* (0.006)
Health Status					
[Ref: Excellent or Very Good]
Good	...	0.008** (0.003)	0.008** (0.003)	0.009** (0.003)	0.008** (0.003)
Fair or Poor	...	0.016** (0.004)	0.016** (0.004)	0.018** (0.004)	0.015** (0.004)
State-Level Unemployment Rate	0.0005 (0.001)	0.001 (0.001)	-0.0001 (0.001)
Log of Lifetime Earnings at Age 61	0.001 (0.001)	-0.002 (0.001)
Change in Monthly Social Security Bens from Delaying Benefits One Month	0.001** (0.0002)	0.001** (0.0002)
Age					
[Reference: 62]
63	-0.071** (0.002)
64	-0.064** (0.003)
65 or older	0.187** (0.055)
N	33,881	33,881	33,881	33,881	33,881
Pseudo R-squared	.0036	.0296	.0296	.0329	.0820
Mean of dependent variable	.0626	.0626	.0626	.0626	.0626

Source: Authors' computations from the 1984-2008 SIPP panels linked to administrative records, spanning the years 1983 to 2009.

Note: Standard errors are in parentheses. The models are estimated on a person-month sample of women age 61 and 11 months or older with 40 years of covered earnings who have not yet claimed Social Security benefits.

** $p < .01$; * $.01 \leq p < .05$; # $.05 \leq p < .10$