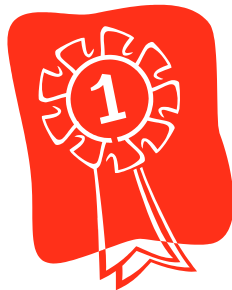


Study News 2001

Thank you!

This was simply a tremendous interviewing year. In 8 months, we interviewed 7,457 families. We are very grateful to all of you for your willingness to help out with this nationally important project.



There is simply no other way to collect this extremely valuable information besides talking to you. Almost all our families are very busy, trying to manage family, job, and other commitments. Yet each time we do our interviews, you still come through. You're the best!

New Study Families

568 of those 7,457 families are 'new' to the study. We always interview the families that have been with us since 1968. But when we discover that an eligible person has moved out, we ask to interview them as well. Our thanks, and a very

hearty welcome to all these new study families.

Most of these new study families are formed by adult children who are setting up their own households. These second and even third generation families provide extremely valuable information that makes this study unique. Because we can look at different generations of the same family, we can examine how the circumstances and choices of one generation influence the opportunities of the next.

A good number of the new study families are divorced or separated individuals who have young children in the study. Interviews with these families give us valuable information on the resources available to children from both parents, even when they're not living in the same household. Again, this is a special feature of this study much appreciated—and used—by researchers.

“Off Year” in 2002

For most of you, 2002 will be an “off year”. We won't be calling you for an interview. We hope this is a peaceful and productive time for everyone. Some of you will be hearing from us in 2002 for one of the two special studies below.

Methods Study

From time to time we try to improve our survey techniques. In the summer of 2002, we will be asking some of you to help us out with a study of new ways to ask questions.

The questions will be about economics, education, and health over your life course. We will be testing different ways of asking questions. We will examine the results of the study to see which ways work best.

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This will help us decide the best way to ask the questions in future FES interviews. We won't ask you to be in this methods study if you were in the previous pilot study in 1998. We also won't ask you if your family is eligible for the second wave of the Child Development Supplement in 2002 (see below). We don't want to ask too much of any FES family. We will be offering \$50 for your completed interview for this methods study.

Child Development Supplement ("Again, Again!")

In 1997, 2,282 of our study families participated in a special Child Development Supplement (CDS-I). We gathered information on 3,563 children in these households. At the time, the children ranged in age from infants to 12-year-olds.

We are planning a second wave of this study, beginning in the fall of 2002 (CDS-II). Only families with children who participated in the 1997 child study will be asked to participate again. We will want to interview the families about the same children who were in this study in 1997. Now they will be 4 to 18 years old.



Your answers to the questions will give insight into how children develop and the influence of early events on how things turn out for the children when they are adults.

We will talk to the child's primary caregiver, any second caregiver in the household, any parent not living in the same household, the child's teacher and school administrator, and the child. There will be questions about the child's cognitive, behavioral and health status.

We'll also ask about the time parents spend with the child. Teachers will be asked about how the child spends his or her time in school. And finally, we will be asking about other resources available to the child, such as the learning environment in the home and the school.

Why are we asking families who already generously give their time for the FES interview to be in this additional study? First, we can take the data we collect on children and match it with the household information about income, parental employment, and family composition that we get from your regular FES interviews. Then researchers can investigate the effect of all these factors on children's health, education, development, and well-being.



Second, getting data from FES families allows researchers to look at a whole 'time-line' of information. In many of our families, we have data from parents and even grandparents for several decades. Researchers can examine the effects that the early experiences and choices of earlier generations of the family may have had on the CDS kids.

Third, this 'time-line' information will also extend into the future. FES families who are in the child studies will continue to do their regular interviews. And eventually the CDS kids themselves will be old enough to move out, set up their own households, and do their own FES interviews.

Why is all this information important? Your answers to all these questions will be collected into a database of information on time and money resources at the family, school, and neighborhood levels. This can be linked to the data on the children's development. Events such as employment, marriage/divorce, births, and geographic moves affect family economic status and time use. These affect family stress, expenditures, and parenting styles. And these in turn influence the health and development of children. All these effects are influenced by family, school and community conditions.



This will be the premier database for research into all the factors that influence the well-being of our children.

Behind the Scenes

Protecting Your Privacy

From the beginning of the Family Economics Study in 1968, we have been telling you that your responses to our survey questions will be kept confidential, to the full extent of the law. In fact, the Institute for Social Research (ISR) at the University of Michigan has successfully protected confidential survey data for over 50 years. We'd like to let you know more about what that means.

The mission of ISR is to advance the understanding of human behavior and social life through research designs which measure attributes of individuals, organizations, and their social contexts. This means that most of the research done at the institute requires interviewing people. Especially in a study that goes on for many years, such as this one, we know that you are doing us an enormous favor by participating. So we take our obligation to protect your privacy very seriously.

Confidentiality means that the information you give us in your answers to our questions will not be released without your permission. You give us your permission by agreeing to do the interview.

Confidentiality also means that we will not disclose even the fact that you participate in the study to anyone outside your household. Many study members already know that other members of their larger family do their own interviews. In fact, relatives have been extremely helpful to us over the years in locating other family members for their interviews. But we never divulge the fact of your participation when it isn't already known.

Our staff of over 100 interviewers who work on the FES are specially trained to protect the privacy of your data as they collect it. They all sign a pledge promising to comply with the Institute's confidentiality policy. Failure to comply with it may result in discipline up to and including termination of employment.

We take the utmost care to ensure that no data are released that would permit any study member to be identified (except in the very rare cases where you specifically authorize the identification). Before we release the data to researchers, we remove all information that might identify you. This includes your address and the names of family members.

Here's an example of just how picky and careful we are about this. After we asked about vehicles that you own or lease in 1999, we saw that some of you own some fairly unusual cars. In the data that we release, all the cars are identified by codes for the manufacturer, make and model, including codes for "other" or "unknown". We recoded all the cars we thought would be too potentially identifying into "other" categories.

Some of the information we ask for is used solely for purposes of collecting high quality data and processing it. For example, we ask for employer names so that we can keep jobs straight during the interview itself, and to help us in matching your job descriptions with the Census Bureau occupation and industry codes that we use. But we never release the employer names or the words you use to describe your job.

Answers that you give us in words are coded into numbers. Researchers who use the data see only a stream of numbers. They have no way of knowing which of the millions of families in the U.S. today are the ones that participate in this study. We never give or sell the list of our study members' names and addresses to anyone.

Finally, we have strict procedures for maintaining the data during interviewing, storage, and processing so that only authorized individuals have access.



By the Numbers

Some statistics from the 1999 survey

The category 'heads' includes husbands in married couples and unmarried males or females who have their own households. The numbers on this page have not been statistically processed to make them representative of the U.S. population. They represent only the 7,055 families that we interviewed in 1999.

Day Care Usage

Percentage of families with children 5 or under, with at least one child enrolled in day care center or family day care home in 1998

Day Care	No Day Care
34%	66%

Smoking/Drinking

Percentage of FES heads /wives who ever smoked tobacco

Men	Women
25%	20%
(50% of male smokers were between the ages of 32 & 49)	(50% of female smokers were between the ages of 29 & 46)

Percentage of FES heads /wives who ever drank alcoholic beverages

Men	Women
63%	51%
(50% of male drinkers were between the ages of 32 & 49)	(50% of female drinkers were between the ages of 30 & 49)

Weight

Median weights (in pounds) of FES heads/wives in 1999

Category	Men	Women
Smokers	174-175	154-155
Non-Smokers	179-180	159-160
Drinkers	179-180	154-155
Non-Drinkers	179-180	159-160
Overall	179-180	158-159

Vehicles

Ways in which family vehicles were originally acquired

How Acquired	% of families
Bought	89%
Leased	6%
Gift	4%

Condition of family owned vehicles in 1999 when originally acquired

Condition	% of families
New	37%
Used	63%

Percentage of families who financed at least part of purchase of family vehicles originally bought (new or used) in 1999

Financed?	% of families
Yes	56%
No	44%

Research Findings

Who Marries Whom?

People who have never been married tend to marry other never-married people, and divorced people more often marry other divorced people, according to a study by Family Economics Study researcher Dr. Hiromi Ono. In other words, never-married and divorced people tend to sort themselves out into two separate groups and marry within their group.



The nature of the marriage market has shifted over the last century, Dr. Ono writes. The rise in divorce rates means that a greater percentage of the unmarried

U.S. population is divorced than was true a hundred years ago. Because of this trend, never married people have a greater pool of divorced people to choose a mate from than was previously the case. So one might expect to see a greater percentage of marriages between never-married and (previously) divorced people. Yet Dr. Ono found that this is generally not the case.

Dr. Ono's findings are especially true for men who marry women with children. But they don't hold true for men who marry women without children.



The study also revealed interesting findings about the timing of marriages. Divorced men are more likely to remarry sooner if they marry a divorced mother rather than a never-married mother. This earlier timing for remarriage could indicate that divorced men prefer to be married and are comfortable with family life in general—something they experienced in their previous marriage.

Dr. Ono also looked at the re-marriage patterns of women who receive support payments after a divorce. These women, she found, are more likely

to marry other divorced men than divorced women who are not receiving payments.

Your Mom, Your Grandmother, and You

Do adults in the U.S. weigh more than they used to? Does the weight of individuals change over time? Are there factors operating across generations in the same family that affect weight?

The answer to all three questions is yes, according to a new report from FES researchers. That's important, because overweight and obesity are the second leading cause of preventable death in the US today. The health risks of overweight have been identified as hypertension, type 2 diabetes, gallbladder disease, osteoarthritis, stroke, sleep apnea, respiratory problems, and endometrial, breast, prostate and colon cancers.

After we asked your weight in 1999, three FES researchers, Y. Kim, K. McGonagle, and F. Stafford, compared your answers with data from your 1986 interviews. They translated weight and height figures into one figure measuring 'body mass index' or BMI. To find your BMI, multiply your height in meters by itself, and divide by your weight in kilograms. A 5 foot 4 inch woman weighing 140 pounds would have a BMI of 24. A six foot man weighing 200 pounds would have a BMI of 27. A common translation of BMI into weight categories for adults is:

Weight Category	BMI
Underweight	below 18.5
Normal	18.5–24.9
Overweight (OW)	25–29.9
Obese I (OB-I)	30–34.9
Obese II (OB-II)	35–39.9
Extreme Obesity (EOB)	40 and above

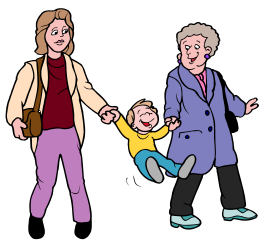
The researchers found a distinct upward drift in the median BMIs between 1986 and 1999, not an epidemic. It occurs across all age and gender groups, and applies to both whites and African Americans. The drift is apparent even when the

researchers took into account levels of smoking and regular exercise.

Why should body weights be rising over such a wide range of the U.S. population? If the answer is a shift to more sedentary work, then we'd expect to see the drift in adults, but not in children. Yet the prevalence of overweight is rising among U.S. youth as well. From the 1997 Child Development Supplement (CDS) to the FES, we have measures of BMI for children ages 2 to 12. The table below presents the percentages of children in each category. Any weight over the 95th percentile was classified as overweight, and above the 85th percentile as 'at risk for overweight'.

Weight Category	Boy	Girl	Overall
underweight	7.62%	9.91%	8.76%
normal	53.87%	62.02%	57.93%
risk of			
overweight	14.95%	12.68%	13.82%
overweight	23.56%	15.39%	19.49%
Total	100%	100%	100%

Overall, almost one fifth of these young children can be considered overweight. More boys were overweight or at risk for it (38.5%) than girls (28.1%). There is only one year of data from the CDS, so the researchers are looking forward to comparing this information with data collected in the second wave in 2002. In the meantime, the National Institutes of Health report that the percentage of children and adolescents who are defined as overweight has more than doubled since the early 1970s.



The FES has a distinctive family and generational design. We have kept interviewing the families that we started with in 1968. And we have added families as the original families'

children left home and set up their own households. This creates an opportunity to study BMI transitions both across time, and across generations in the same family.

The researchers matched the children with their parents and compared BMI values across the

generations. The results show a clearly positive relation between the father's weight and the child's, and the mother's weight and the child's (OW=overweight).

Father's BMI	Children's BMI		
	normal	risk/OW	OW
normal	74.6	9.6	15.8
overweight	66.1	14.8	19.2
obese	52.7	17.7	29.6

Mother's BMI	Children's BMI		
	normal	risk/OW	OW
normal	70.9	11.8	17.3
overweight	60.3	15.9	22.8
obese	57.6	14.7	27.8

For example, 29.6% of obese fathers had a child who was overweight. The last column of the chart clearly shows that as the father's weight increases, so does the percentage of overweight children.

Because we have been able to interview the same families for a long enough time, the researchers were also able to link the mother's weight with that of their own mothers, and in turn across two generations—the link between weights of grandmother and grandchild. An intriguing result is that the link between the BMI of grandmothers and grandchildren is about as strong as that between mothers and children.

The reasons for this association may be common diet and social environment. Or the link may be in part genetic. This is yet to be explored, but there is definitely a generational link.

Grandmother's BMI	Grandchildren's BMI		
	normal	risk/OW	OW
normal	65.37	14.5	20.13
overweight	58.69	16.6	24.71
obese	55.19	14.11	30.71

Finally, the researchers looked at links between BMI and risk of dying. Again, they compared information from 1986 with 1999 data. Results were intriguing. A higher percentage of white men with a lower-level BMI (less than 24) in 1986 were deceased by 1999, compared to those with mid-level BMIs. There was also an increase in the chances of dying when their BMI was over 33. For black men, a low-level BMI (under 24) was also

associated with greater odds of dying by 1999. In fact their risk was nearly double that of the white men. Even for black men with BMIs of 24–26.9, the odds of dying were elevated.

For white women with low-level BMIs (less than 20), the risk of dying was particularly pronounced, compared to black women. There was also an increase in the odds of dying for white women in the higher BMI categories, compared to the lower ones, especially when BMI exceeded 31. But for black women, higher BMI was associated with *decreased* chance of dying. The researchers caution, however, that these results are preliminary, and need to be examined in studies using larger sample sizes.



The American Family— Transitions & Transformations

Frank P. Stafford, economist and director of the Family Economics Study, was recently interviewed about changes in American family culture and behavior. He spoke about what the FES has shown us about the American family over time and through successive generations. Here is part one of the interview. Part two will appear in the next Report.

What is the relationship between family wealth and family health? It's extremely strong. A husband and wife at age 60 and in good health were much more likely to have a combined net worth over \$500,000. If they are in poor health, they are more likely to have little or no assets.

How does this come about? If you have poor health as a young career person, it may affect your earnings. You might not save as much, or be able to afford good health care. Or, looking at the bigger picture, maybe there are those who plan. They are looking to protect their health, to go to college or to have a career, and ahead to their retirement. They take steps looking ahead, so that they have good health over a much larger part of their life course.

Do fluctuations in income levels affect family health? If you look at income variability and

transitions from good years and bad years, there are some trends. Taking two families who earn between \$30,000–\$50,000 a year, how much the income changes over time will also predict mortality. That is, the greater the variability of income, the greater the incidence of mortality within the family.

The FES data comes from families that you follow through 2 or even 3 generations. Are families more or less economically stable—or mobile—than in years past? If you look at a 5 or 10-year segment of a family's income history, you'll see a lot of mobility upward or downward. With the same families, there are even stronger generational patterns in earnings, occupation, and even some health domains.

Has there been a trend of adult children moving back home? If so, is there an economic pattern that forces this? Yes. During the 1980s, when the job market for less-skilled workers was not as good, leaving home was almost ambiguous—leaving today, but home tomorrow. The FES data show more young adults moving back in with their parents.

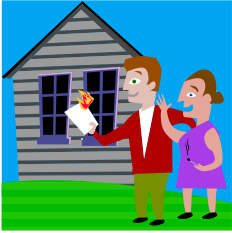
This happened as part of the larger context of the changing job market. The basic shift toward technology jobs is confirmed by our study. Much economic growth from the 1970s on has come not from traditional sources but from information technology. We see a lot of this growth for both male and female workers. It does not seem to be connected to their schooling, especially in the 1990s. When we look closely at the detailed data we collect about occupations and industries of these people, they are the ones the U.S. Dept. of Commerce has identified as most connected to information technology.

So we have quite convincing initial evidence for an important role of technology in creating a non-traditional growth period in the 1990s. 'Non-traditional' because it doesn't arise out of more schooling and more physical capital, but out of the more elusive informational capital. Very



interestingly, it has benefited women to a very large extent.

Are more families purchasing homes as opposed to renting? About 66% of families own their own



home or condominium. One of the things we'll look at more closely—just as we did with stocks and bank accounts—is intergenerational matters. For example, if you grew up in a rural area and your parents owned a home and you moved to the city, does that encourage you to want to own a home.

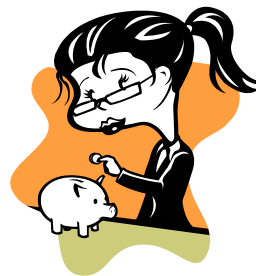
There's also a very strong relationship between home ownership and wealth. Homeowners have more wealth. It's too strong to say that this is just related to income, because there are people with high income who don't own a home or have accumulated wealth. Another fascinating aspect of home ownership is that it's a key part of monetary policy in the U.S. When interest rates fall, people refinance their mortgages. Our data show tremendous refinancing activity in the mid-1990s when the Federal Reserve was getting us out of the Gulf War recession with a series of lower interest rates. Almost a third of mortgage holders refinanced in the early 1990s. Many refinanced to precariously high levels of mortgage debt relative to the home value.

Beyond that, we've been able to show how refinancing works. There are basically two groups of refinancers: grasshoppers and ants. The ants are people who say they are going to exercise a financial option, such as to liquidate a mortgage and refinance at a lower rate. These are the financial planners who are trying to make some money. The grasshoppers would have liked to have borrowed earlier and may not have had much equity in their house, and they might jump into a 90–100% equity loan (i.e., they borrow as much as their house is worth). These people are responding, creating a stimulus (e.g., buying a car, going on vacation), which in turn stimulates the economy. However, what happens is that they are then in a financially precarious position. If any further recession comes along, and the house value drops to \$80,000, they will still have a \$100,000

mortgage. The bank will not be happy, the owners will not be happy, and they certainly will be really constrained from spending.

Have separations and divorces affected wealth stability especially in dual-career families? We have seen strong change in the career aspirations of women. Ever since the mid-1970s, we have seen an upward occupational migration of women to better jobs, better earnings, and more highly paid industries and occupations. This shift has created autonomy for these women. One of the results is that the family is more likely to break apart if you have a dual-career couple and the careers go in different directions. The couple is now more able to live financially separate from one another. Some evidence suggests that the career path and success of adults allows them to separate if things don't work out in the marriage.

At the lower end of the economic scale, skills-biased technology has made the job prospects of lower-income adults poor, and this has meant that the resources to support a family have also not been available. You have marriages dissolving in part because the adults cannot support the family, which creates stress and pressure, for which they blame each other, leaving the children in very difficult circumstances many times. The feedback between technology, the family, and the job market is enormously complex.



We have done work in our studies on the extent to which financial autonomy of the spouse offers bargaining power within the family, and our evidence supports that. If the wife has a good job, she is more likely to have a say in many aspects of family life, including finances and how income is spent. It is also the case that women with good pensions and other measures of financial independence are likely to have more bargaining power in the family and are also more likely to go on their own if the marriage has troubles. In those cases, as opposed to low-income divorces, children are often in far-better shape than when there are no resources that are driving the dissolution.