

# The FES News

The Family Economic Study  
Institute for Social Research  
University of Michigan  
*Keeping You Informed*

Winter 2006

## *From the Director*

*Dear FES Family,*

*Happy 2006! We hope you enjoy the 2006 FES Newsletter. I would like to personally thank each and every one of you for participating in our 2005 data collection, and welcome the new families to this scientifically important study. During 2005, we talked with 8,041 families with more than 600 of them doing their first FES interview. It is exciting that we now have participation from three, and in some cases,*

*four, generations of FES family members. Your contributions to this study have made the FES a national treasure for scholarly research in the U.S. We cannot emphasize enough how much we appreciate the time and effort you give us in doing your interview.*

*Sincerely,*

*Frank Stafford  
Program Director*

## *Thank You !*

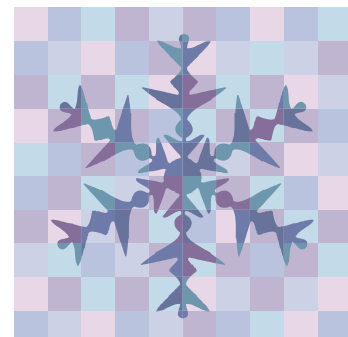
2005 was simply a tremendous interviewing year. Between March and November, we interviewed 8,041 families. We are very grateful to all of you for your willingness to help out with this nationally important project. There is simply no other way to collect this

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!

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*Along with the Internet and Doppler Radar, the FES was designated by the National Science Foundation as one of the 'Nifty Fifty', the 50 most important projects from 1950-2000.*



## *Welcome New Families!*



*You Keep  
Us  
Going!*

Of the 8,041 families, 644 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 and formed their own household, 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.

## *Protecting Your Privacy*



*All ISR staff  
sign a pledge of  
confidentiality.*

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 be-

havior 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.

Our staff of over 100 interviewers who work on the FES are specially trained to protect your privacy. *Privacy...Continued from Page 2*

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. 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.

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.



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

### *“Off Year” in 2006*

*2006 will be an “off year” for our FES families. We won't be calling you for an interview until 2007. We hope this is a peaceful and enjoyable year for all of you.*

*We have strict procedures for protecting the privacy of the information you provide.*

## *Interviews with the CDS Youth as Young Adults*

*Researchers are interested in gaining a better understanding of the challenges facing young people in the 21st century as they transition to adulthood.*

The years right after high school are exciting ones that bring many changes to the activities and lifestyles of young people today. As researchers, we have become increasingly interested in these years. In fact, there is an entire group of scientists who focus on studying development in this life stage.

They are interested in gaining a better understanding of the new challenges facing young people in the 21st century as they make the transition from adolescence to becoming self-sufficient adults.

Little is known about how experiences during childhood affect young people as they move into adulthood, what becoming an adult means today, and what influences young people's decisions and activities related to education, training, employment, and leaving home.

We decided to try to contribute to this area of research by developing a special interview that focuses on decisions and changes in schooling and job training, work, and family. We also developed some questions about goals for the future, values

that may guide life decisions, ways in which leisure time is used, and involvement in the neighborhood or community.

In the FES, we have a special group of youth who participated in the Child Development Supplement (CDS) in 1997 and in 2002. This fall, some of these individuals turned 18 years of age and began entering into this "transition into adulthood" stage. These individuals were contacted this fall to participate in our special interview. By mid-December, we had interviewed over 700 such individuals. Many thanks are extended to these people - you help make our study successful by taking the time to talk with us.



# Recent Research

*This section provides some information on how your responses are used by researchers.*

## Kids and Sports

Child obesity has become an increasingly important public health issue as the percent of children who are overweight has tripled from 30 years ago. Frequently cited as one of the causes of increased childhood obesity is the shift over the last 30 years to more sedentary leisure activities such as watching TV, playing video games, and using the computer.

Researchers Sandy Hofferth and Sally Curtain used FES data to ask whether children who participate in sports in middle childhood are less likely to become overweight as they grow older compared with children who never participated in sports or stop participating as they get older.

They find an undeniable association between sports participation and weight in kids, even when other important factors are considered. Children who participated in sports in 2002, whether they were continuing from 1997 or just beginning in 2002, were about 80 percent less likely to be overweight than their counterparts who never participated. What is even more

striking is that the 34 percent of the children in the study who participated when they were younger but had quit by the time they were 12-18 were still significantly less likely to be overweight than their counterparts who never participated. This is evidence for a protective effect of both current sports participation on being overweight but also of *former* participation. Part of the protection may be because participation helped protect the children when they were younger, but we also accounted for former overweight status. The analyses conducted separately for boys and girls show that the protective effect is strongest for girls.

Other research by Angel Harris and Jacquelynne Eccles, also using information from the FES, shows benefits to sports participation in other aspects of healthy child and teenage development. Teenagers who participate in sports are less likely to use alcohol than those who do not. They also have a higher sense of self-worth, more initiative in social situations and better self-reported health than teenagers who do not participate in sports.



*Kids who participate in sports are much less likely to be overweight than kids who do not.*

## *Ready to Retire?*

Whether or not you will be able to retire when you want to depends to a great extent on what sources of income you will be able to count on in your retirement. For many years, Americans have been able to depend on defined benefit (DB) plans. With this type of plan, your retirement benefit is calculated based, for the most part, on how long you have worked with an organization.

However, defined contribution (DC) plans are gaining in popularity. With this type of benefit, workers contribute a portion of their salary into a retirement savings account that is usually invested in securities. Since participation in these accounts is voluntary, more of the responsibility to save for retirement is now on the worker. It also requires workers to make decisions about where and how to invest retirement savings.

The choices that families make are important because they can have a bearing on how much wealth is accumulated over a lifetime, a particularly important issue for those nearing retirement. Information from the FES allows researchers to better understand the process of wealth accumulation. This knowledge can be used to help inform workers' investment decisions.

Across all married couples in the FES age 30-59, those without DB pension tend to have greater wealth than families in which both spouses have a pension and in which only the wife has a pension.

For black families, however, those with no DB pension have a substantially lower level of wealth than those with DB pension coverage, particularly for those families in which both spouses have a pension.

Workers in government and unionized jobs are much more likely to have DB pensions. As union jobs decline, we will likely see a further shift away from defined benefit pensions and with more defined contribution plans held by the husband, wife, or both.

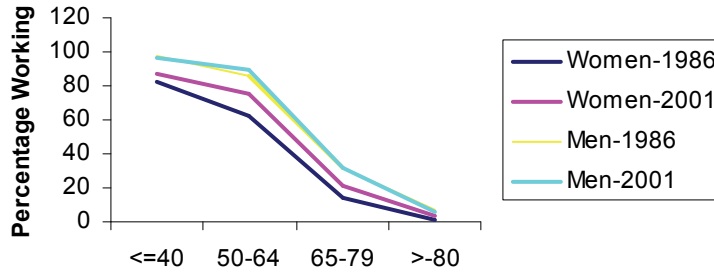
These shifts to multiple DC plans within the family will place a far greater responsibility on pension management in the household and may lessen the role DB pensions have played in reducing wealth inequality and income inequality of the retired population.

*More of the responsibility to save for retirement is now on the worker.*



## *How Long Will You Work?*

**Percentage of FES Men and Women Working at Different Ages in 1986 and 2001**



*More women are working at all ages in 2001 compared to 1986.*

This graph shows the percentage of men and women in the FES who were in the labor force at different ages in 1986 and in 2001. The pattern for men in the FES is quite similar over time: Nearly all men 40 years old and younger are in the labor force. This falls off a bit in the next decade of life and then drops significantly near the age of 65, but, interestingly, is still at about 7 percent at age 80 and older. The percentage of women in the labor force is smaller, but the pattern is the same. A striking difference can be seen across the 15 year span. More women are working at all ages in 2001 compared to 1986.

## *Who's Who at the FES?*

Robert Schoeni is a Research Associate Professor at the Institute for Social Research and Associate Professor of Economics and Public Policy at the University of Michigan. Dr. Schoeni has served as Associate Director of the FES since 2001, and he directs all aspects of the study. His work focuses on aging, disability, poverty, the family, labor economics, and demography. His research topics include anal-

yses of trends in disability, living arrangements among the elderly, intergenerational familial transfers, old-age poverty, welfare reform, workers' compensation, and displaced workers.

Dr. Schoeni is working on a series of studies on trends and differentials in health status and disability among the elderly using numerous data sets, including the FES



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of the FES*

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## *How Wealth is Distributed in the U.S.*

Data from the FES on the household wealth of those age 65 and older show that the average amount of wealth a household has depends very much on level of education. The large gap in wealth between those who do not have a high school diploma and those who have some college or more education has grown significantly. In 1984 the gap was \$340,000 and grew to \$650,000 by 2003.

### Net Household Wealth (in Thousands of Dollars) by Education in 1984 and 2003

<b>Years of Education</b>	<b>1984</b>	<b>2003</b>
<b>No High School Diploma</b>	<b>118.3</b>	<b>140.7</b>
<b>High School Diploma Only</b>	<b>216.8</b>	<b>291.3</b>
<b>Some College or More</b>	<b>461.0</b>	<b>790.2</b>

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