FES Family Economics Study

The FES News

The Family Economics Study
Institute for Social Research
University of Michigan

From the Director

Dear FES Family,

I would like to begin by thanking you for your participation in the 2013 Family Economics Study. It was a busy year with the collections of the main interview, the Health and Daily Life Study, and the Transition into Adulthood Study. In 2013 alone we conducted over 12,000 interviews!

Although the main FES study will not happen again until 2015, we have some new things planned for the coming year. In the spring we will be conducting our first online study and later in the year, we will be rolling out a new Child Development Study. (See cover story, The FES Goes Online; The FES Child Development Study 2014, page 3)

I also wanted to take a moment to explain just how we keep your information private. We follow strict procedures to help make sure FES family members cannot be identified. For example, before we release the data to researchers, we remove information that might identify you, such as your address and the names of family members. Detailed answers that you give—for instance, descriptions of your current job—are assigned to categories, so that researchers receive only a stream of numbers. These steps help make sure that FES families cannot be identified from the millions of families in the United States. This part of the process is very important to us because we know how important it is to you.

Finally, we'd like to give a special welcome to our new FES families. Most of you have grown up with the study and are now able to be interviewed as your own family. Your participation makes it possible for scientists to study how wellbeing changes with each new generation. We hope you are with us for many years to come.

A very happy 2014 to all.

Sincerely,

Charles Brown

Charles Brown

FES Director
Professor of Economics
University of Michigan
Ann Arbor, Michigan

Winter 2014

The FES: A Study of Families and Family of Studies

The FES Family Tree

The FES started in 1968 with 5,000 families. Today – 46 years later – it has doubled in size to over 10,000 families. That makes the FES the longest running study of families in the world.

We like to think of the FES not only as a Study of Families—but as a Family of Studies. The main study consists of the telephone interview that you complete with us every two years. But we also collect more in-depth information for certain age groups.

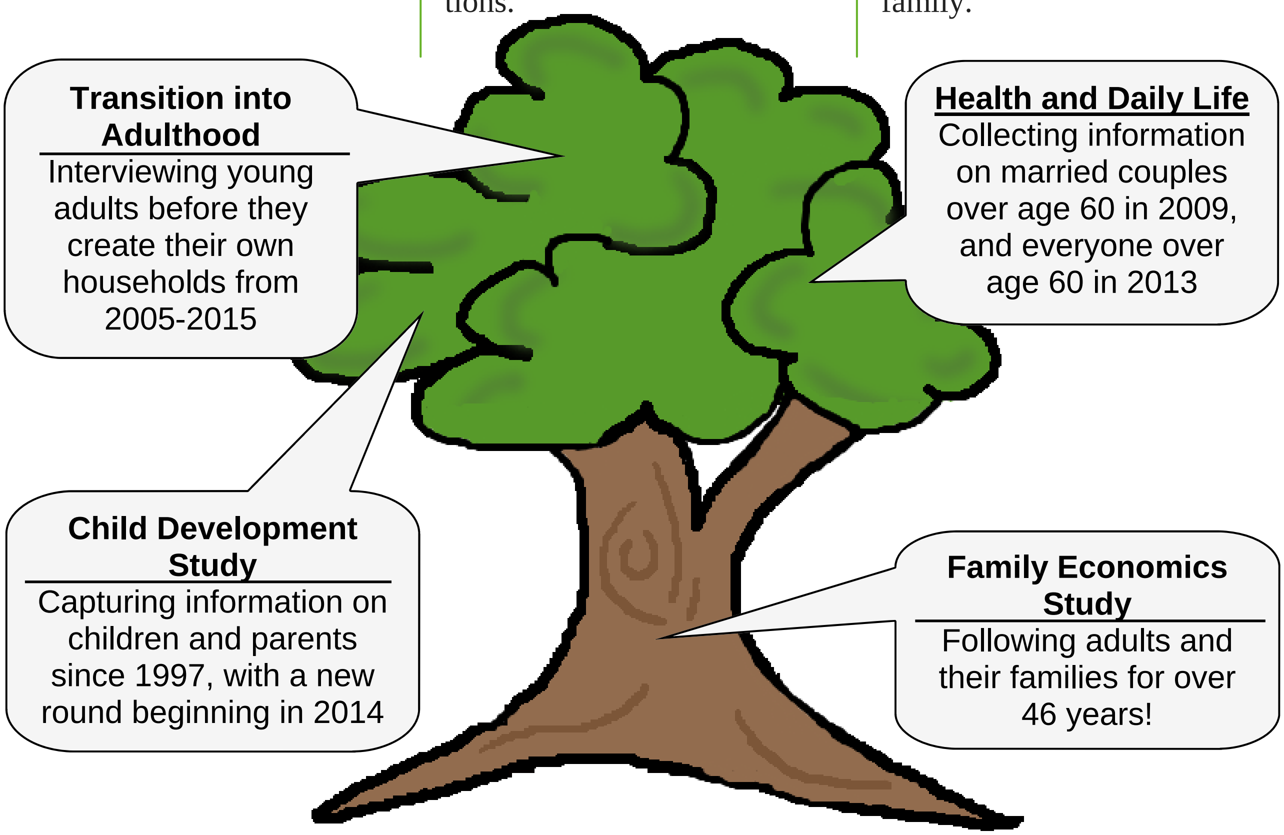
For instance, the ***Child Development Study*** was started to learn more about what influences the health and wellbeing of America's children. Information on children—from newborns to those aged 17—has been collected up to three times. A new Child Development Study will be started in 2014 (see page 3).

Once the children in the Child Development Study celebrate their 18th birthday, they are eligible to participate in the ***Transition into Adulthood Study***. This study focuses on the young adult years, including work and school transitions.

At the other end of the age spectrum, the ***Health and Daily Life Study*** collects information on FES family members ages 60 and older. Topics include wellbeing, time use, and health as FES members reach retirement age.

And our new online series (See The FES Goes Online, page 3) will explore a variety of topics with adults of all ages, starting with childhood experiences.

We thank each of you for participating and for being such an important part of our family.



FES Announcements

The Family Economics Study will begin web interviews in 2014

The FES Goes Online!

The FES is kicking off 2014 with its first online study. A number of respondents have suggested that providing information online would be a good alternative to phone. We listened and have gone ahead and designed a brief and interesting set of questions especially for the web. The first of a series will highlight different aspects of childhood. Questions will focus on schools, neighborhoods, relationships, and other important childhood experiences.

FES adults of all ages will be invited to participate. Those of you with internet access will receive the FES web address so that you can complete the interview online and those of you without internet access will receive a paper questionnaire.

This study will be one of the largest of its kind. We are hard at work getting it ready, and are excited to roll it out in just a few months. We hope you find the online format convenient and enjoyable and that you look forward to this new project!

The FES Child Development Study 2014

We are pleased to announce a new round of the ***Child Development Study*** is scheduled to begin in the fall of 2014. All children ages 0 to 17 and their caregivers will be eligible. We expect to have 6,300 FES children in all.

The new study will provide up-to-date information about how families, schools, and neighborhoods influence child development in this new generation.

Stay tuned for details and we look forward to your participation!

A new round of the Child Development Study will begin in 2014

Recent FES Research

Wealth and the Great Recession

The Great Recession impacted all Americans, but not all equally or in the same way

A study by Fabian Pfeffer and Robert Schoeni of the FES along with Sheldon Danziger looked into the changes in household wealth before, during, and after the period of economic downturn from the end of 2007 to the middle of 2009, known as The Great Recession.

During The Great Recession, a large decline in American's wealth occurred, as housing prices fell, stock prices collapsed, and the unemployment rate increased. For the top 5% of households, average net worth was higher in 2011 than it was in 2003, but for the remaining 95% of households a very different picture emerged. For example, the net worth in the middle of the sample was about $30,000 lower in 2011 than in 2003. During the main recession years, between 2007 and 2011, over 12% of households experienced a loss of $250,000 or more, while over 33% lost at least $50,000 (See chart on right).

Even though losses were more common than gains, some households had a higher net worth in 2011 than in 2007. In total, nearly 7% of households experienced a gain of at least $250,000, and over 18% experienced gains of at least $50,000 over this time period.

Pfeffer and his colleagues also found that relative wealth losses from 2003-2011 were far greater for disadvantaged groups – including those with lower incomes and less education - for example. Wealth fell for people of all backgrounds, but more so for African Americans, Hispanics, and Native Americans.

Declines in net worth from 2007 to 2009 were large, and the declines continued through 2011, but they were not the same for everyone.

While large amounts of wealth were lost at the top of the wealth distribution, households at the bottom of the wealth distribution lost the largest share of their wealth. As a result, wealth inequality increased from 2003 to 2011.

Pfeffer and colleagues concluded that the American economy has experienced rising income and wealth inequality for several decades and it is possible that the slow recovery from the Great Recession will continue to increase wealth inequality in the years to come.

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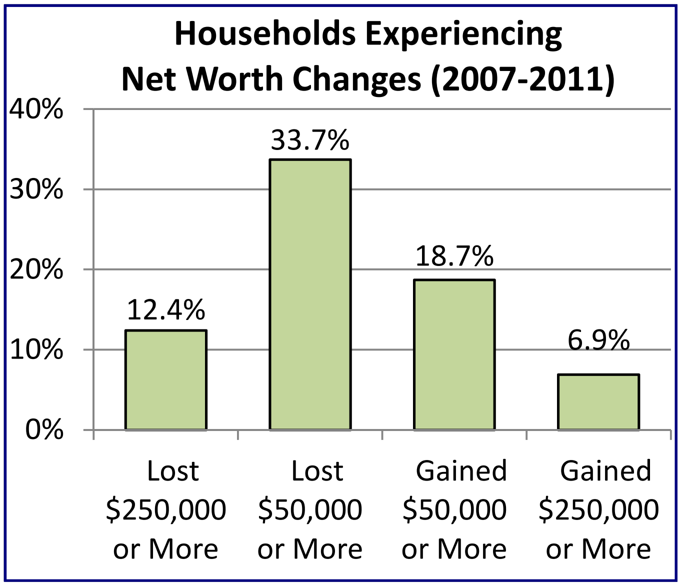
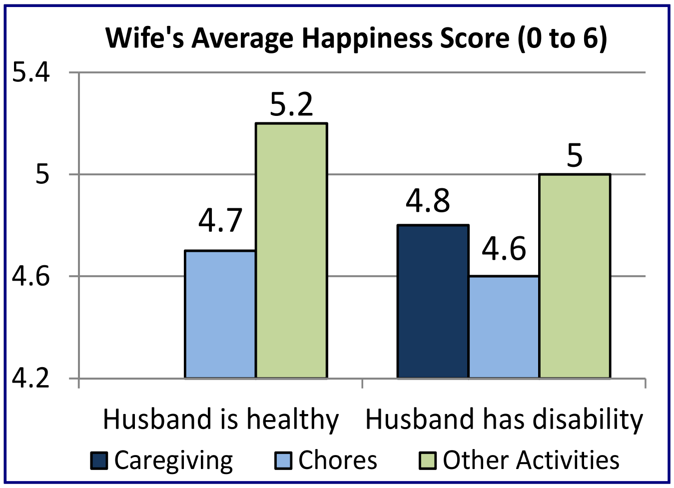


Recent FES Research



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Married Couples and Wellbeing

As more couples are reaching late life and living longer than ever, how spouses care for one another has become an increasingly important focus. FES Associate Director Vicki Freedman and colleagues have been trying to figure out one long-standing puzzle about caregiving and wellbeing. Some research has shown that providing care to a husband or wife leads to worse wellbeing for the caregiver, while others have shown that providing care is beneficial. To better understand this relationship, Freedman and colleagues examined time diaries collected in 2009 from FES couples over the age of 60 as part of the Health and Daily Life Study.

The researchers looked at how happy and how frustrated husbands and wives felt while doing chores like laundry, cooking, and cleaning and compared those results when doing other kinds of activities like watching TV, reading, or using the computer. Then they looked at happiness and frustration when doing chores for a spouse with a limitation.

The first thing they noticed was that older husbands and wives are generally pretty happy and not very frustrated. For husbands, their happiness and frustration levels were very stable across all kinds of activities and for wives, frustration levels didn't vary too much.

But for wives, happiness varied by type of activity (see chart on left). For wives with healthy husbands, reports of happiness while doing chores were much lower than those for other kinds of activities. For wives whose husbands had a disability, doing chores was associated with lower happiness levels than caregiving or other activities.

This finding is important because it suggests that caregiving by itself does not decrease wellbeing, but the chores that often constitute care, like meal preparation, laundry, and cleaning, may do so.

Says Freedman, "We are grateful to FES families for participating in the Health and Daily Life Study. The time diary data help us investigate couple and care dynamics in new and interesting ways." The first round of Health and Daily Life was so successful that in 2013 and early 2014 a second round of time diaries are being collected from all FES respondents ages 60 and older. Freedman explains, "The new collection will allow us to

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Thank you for participating in the 2013 Health and Daily Life Study!

By The Numbers

(Continued from page 5)

extend research on time use and wellbeing in later life to those who are single. And for couples who participate a second time, we can investigate the dynamics of daily life and wellbeing."

Early Life Conditions and Later in Life Health

A study by Rucker Johnson from the University of California Berkeley and colleagues used nearly 40 years of FES interviews to study the relationship between neighborhoods in young adulthood and health later in life. The authors explored environments in which individuals were born, grew up, lived, and worked at earlier stages of their lives.

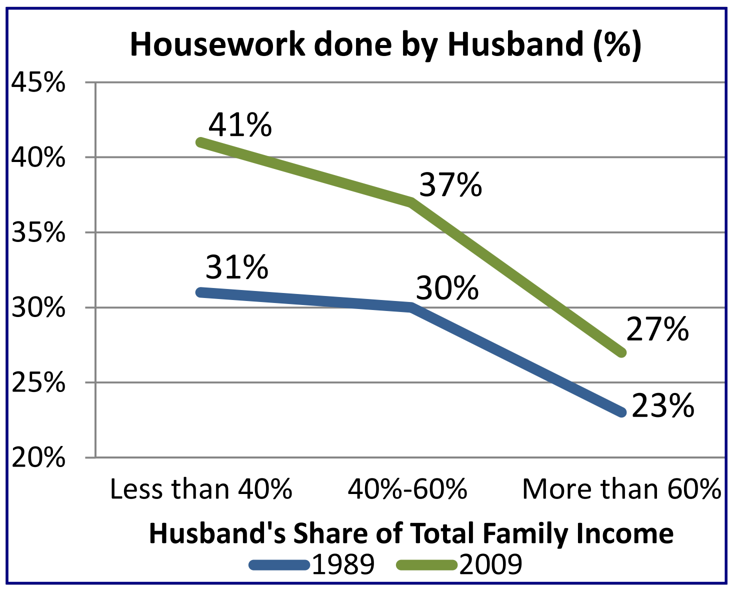
They found that among those who lived in poor neighborhoods in young adulthood, 45% of adult years are spent in fair or poor health. In contrast, for those who lived in more affluent neighborhoods, only 15% of adult years are spent in fair or poor health. They also found that these gaps in health status increased with age.

Neighborhood features that had an especially negative influence on health in later life include high levels of crime, high levels of segregation, and housing problems. In addition, the study found that a number of individual and family characteristics including education, health insurance coverage, cigarette smoking, and alcohol use in young adulthood, were strongly connected with health later on.

Johnson says that these results suggest that the exposure to disadvantaged environments add up over the life cycle and combine with other childhood, young adult, and family factors to take a toll on health later in life.

Husbands share less of the housework when they contribute more to family income

Sharing Income and Housework



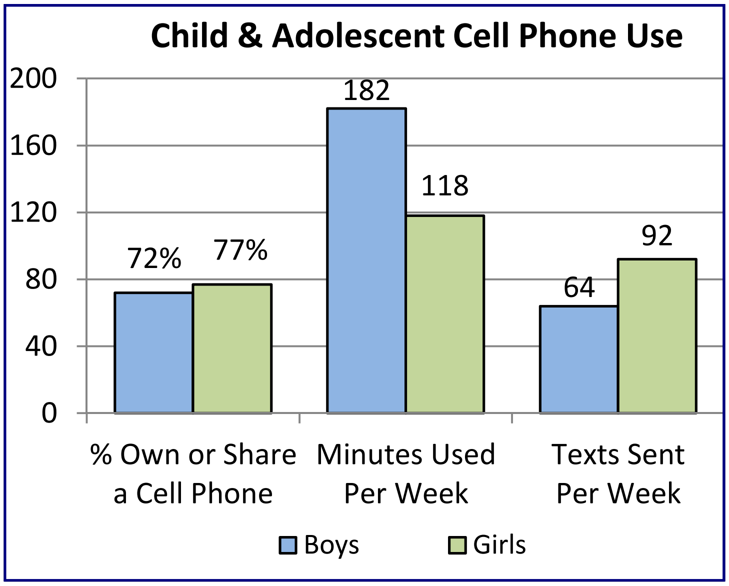
Xuequan Peng from the University of Michigan looked at how married couples shared housework over a 20 year period from 1989 to 2009.

She found that husbands tend to share less housework when they contribute a higher percentage to family income compared to those who contribute less. Though husbands share slightly more housework when their wives contribute a higher percentage to family income, wives still do the majority of housework. Between 1989 and 2009, husbands were doing a larger share of the housework, from 4% to 10% more on average.

By The Numbers

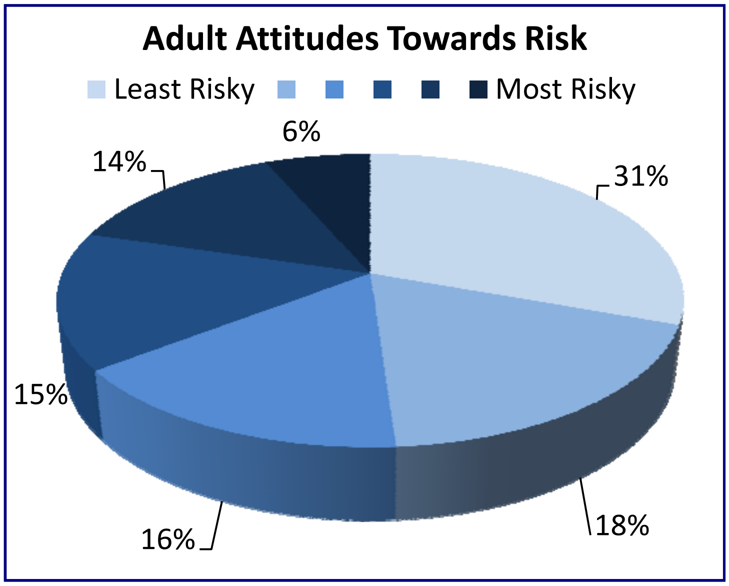
Adolescent Cell Phone Use and Achievement

Sandra Hofferth and Ui Jeong Moon from the University of Maryland studied the connections between cell phone use by children and adolescents and their achievement in school using information provided by FES families in the Child Development Study.



They found that almost 75% of all children have access to a cell phone. Girls spend more time sending text messages per week, and boys spent more time using the phone overall. Vocabulary test scores were lower when children spent a lot of time talking on the phone, although reading comprehension tests were higher among children who spent a lot of time using the phone to send text messages.

Almost 75% of children and teens own or share a cell phone



Self-Employment and Attitudes Towards Risk

Sarah Brown and colleagues from the University of Sheffield explored the relationship between self-employment and attitudes towards financial risk using information from adults in the FES.

They created an index based on several questions that measured an individual's attitude towards risk and scored them from 0 to 5 (where 0 was the least risky and 5 was the most risky). Their findings showed that willingness to take financial risk is positively connected to self-employment. They also concluded that current employment status and current risk attitudes were connected to each other and that past attitudes towards risk are found to influence current self-employment status.

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