Research and Social Security Policy in the United States

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This article is adapted from a paper presented at a conference that investigated the role of policy research in shaping public policy. The conference focused on how studies of economic and social forces and their relationship with public problems and programs affect the decisions of public policymakers.

The author contends that research has the potential to inform policymaking in any of its five stages: problem identification, option development, passage of new laws or development of new procedures, implementation, and evaluation. She notes that different players in the policymaking process use research differently, from the senior government official who needs a quick review of what is known relating to a "hot" issue to the interest group lobbyist who wants access to raw data.

The article concludes that research can best achieve its potential when (1) it anticipates policymakers' information needs, (2) it is disseminated in an accessible form understandable to nonresearchers, and (3) the policy analyst is willing to engage in the policy process as an advocate for efficiency.

In this article, two aspects of the relationship between research and policymaking are discussed. The first describes in a general way five stages of the policymaking process and the role policy research may play at each stage in that process, with a particular focus on the Social Security policymaking process.

The second illustrates how policy research is contributing to the resolution of a particular public policy problem: the long-term financial viability of the United States Old-Age, Survivors, and Disability Insurance (OASDI) system.[1]

Policymaking in the OASDI System

This overview of the policymaking process for Social Security programs has two subtopics. The first defines policy and describes the nature of the policy process and the role of policy research at each stage. The second examines who influences Social Security policy—who the participants are in the policy process. The way in which each type of participant uses policy research is emphasized particularly.

The Policy Process and Policy Research

Policymaking is not an event or a moment in time when decisions are made. It is a process that moves through five stages, each of which may be as short as a few weeks or as long as a few years, some of which may never be started, and some of which, if begun at all, are never concluded.

The first stage is recognition that a problem exists; the second is the development of options to deal with the problem. The passage of a law or the development of new procedures is the third stage, while the implementation of the new law or procedure is the fourth. The final stage in the policymaking process is the evaluation of the effectiveness of the new laws or procedures.

Problem identification. Policy can be informed by relevant knowledge at all stages in the process. Clearly, socioeconomic research or data analysis can identi-

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[1] The terms OASDI program and U.S. Social Security system are used interchangeably.

fy an existing or potential problem. Problem identification in Social Security programs has been improved dramatically by (1) the expanded availability of frequent, large-scale surveys that capture social, economic, and health information and (2) the almost universal availability of computer and analytical capacity for policy researchers to process large data sets. Thirty years ago there were almost no nationally representative surveys providing information on the old, disabled, and survivor populations and only a small number of researchers, inside or outside Government, who were attempting to study the size and nature of these populations.

One of the largest single groups of these researchers was in the Office of Research and Statistics of the Social Security Administration (SSA). This research component—envisioned in the 1935 Social Security Act and organized at the program's inception—produced from the beginning data analysis and policy research related to the Social Security programs. The agency's budget justification of April 1936 provided funds for the Bureau of Research and Statistics for the "maintenance of a research and analytical service adequate for the efficient administration of the law, the outlining of policies and the careful planning for the future needs of the nation in the matter of social security."

Survey data have provided an essential input to the Social Security Administration's policy research program almost from its beginning. The first SSA survey was conducted in 1941 and 1942 in seven cities, focusing on the economic status of retired workers and widows with children, and the first SSA nationally representative survey was conducted among essentially the same population a decade later.

The next major survey was the 1968-70 Survey of Newly Entitled Beneficiaries, which was prompted by concern about the effect on poverty of actuarially reduced early benefits. The finding that those with low benefits came from many income levels argued against change in the actuarial reduction provision. To discover more about the retirement process and change in economic status concurrent with retirement, a unique, 10-year longitudinal study of a cohort of persons nearing retirement age was undertaken. This Retirement History Survey has proven to be an extraordinarily valuable source of information about retirement behavior.

Today, the Social Security Administration relies on general population surveys undertaken by the Bureau of the Census for data on the total aged and disabled populations. SSA continues, however, to undertake surveys of cohorts of new beneficiaries and plans to follow cohorts of retirees as they move through their retirement years.

Option development. The number of analysts and types of tools now available to develop policy options—stage two in the process—has grown exponentially in recent years. Newly formed academic departments are training individuals to use the tools of policy analysis and most Government departments have established policy analysis, planning, and evaluation offices staffed by these individuals.

While the distinction between policy research and policy analysis cannot always be precisely drawn, defining the two may aid in understanding the first and second stages of the policy process.

Policy research is the study of basic structural relationships in the society—in particular, the relationship of some social or economic aspect of the society with particular Government programs. For example, policy research addresses the relationship between the Social Security programs and private saving and labor-force participation. It also addresses the effect of changes in the birth rate on the size of the future beneficiary population and society's capacity to finance benefits.

While policy research looks at basic societal relationships, policy analysis uses this basic structural information to develop policy alternatives and to assess the effects of those alternatives on individuals and on Government costs and revenues. Policy analysts employ a variety of tools, including simulation models that estimate the numbers of individuals who are made better or worse off by changes in particular Government programs and cost-benefit analyses that measure the effect on Government revenues and expenditures of specific program provisions. For example, the Office of Research and Statistics has three simulation models. The first model can evaluate short-run changes in the benefit formula on beneficiaries, and the second can assess the near-term effects of changes in tax policy, including the taxation of Social Security benefits. The third can be used to examine the long-run interaction between the Social Security programs and the macroeconomy.

Clearly, while policy analysts play a primary role in the evaluation of policy options, they rely heavily on policy research results as underpinnings for their work.

The Department of Health and Human Services, of which the Social Security Administration is a part, developed a policy analysis capacity to address Social Security issues in the late 1960's. By the mid-1970's, aided by economic simulation models, the office was actively developing alternatives to the Social Security benefit computation formula. By the late 1970's, the Social Security Administration had developed its own policy analysis office, which immediately became active on long-term financing and other issues.

Enactment. The third stage of the policy process, enactment of new legislation or new procedures, frequently uses the same type of information developed in the second stage. The pro's and con's of various options as developed by policy analysts can be used by legislators to reach decisions about alternative approaches. The Congress uses Executive Branch analysis, but it also has developed a capacity to conduct policy analyses independent of the Executive Branch. The Congressional Budget Office, established about 10 years ago, has a staff of a few hundred doing some problem identification and a considerable amount of development and assessment of policy options. They work with the same types of simulation and economic models and large data bases as do the policy analysts employed in the Executive Branch. Of particular importance have been the Congressional Budget Office's independent development of estimates of the Federal deficit and its cost estimates of specific legislative options.

Implementation. In implementing changes in the Social Security cash benefit payment program, there is very little reliance on policy research or policy analysis. This would appear to be because the implementation of policy in a cash transfer program is very straightforward relative to changes in the implementation of service delivery programs.

There have been management studies to help determine the most efficient ways to implement program provisions but very little additional policy research or analysis is brought to bear at this stage in the Social Security policy process.

Evaluation. The final stage in policymaking is the evaluation of the effectiveness of new laws or procedures. Policy research can play a major role in assessing the extent to which a new program has ameliorated a problem or resulted in a change in behavior. In the case of cash benefit programs, such as Social Security, the evaluation generally takes the form of surveys of the socioeconomic status of the populations whose benefits were changed in some way. For these programs, the tools used for problem identification and for evaluation are the same.

The evaluation of a virtually universal cash transfer program such as Social Security can be quite simple or, despite the use of sophisticated tools, extraordinarily complex. For example, the use of survey data to determine the effect of Social Security benefits on poverty rates is quite straightforward. However, it may be very difficult to determine the effect of the program on certain types of behavior, such as its effects on individual saving.

In concluding this overview of the Social Security policymaking process in the United States, it should be pointed out that a great many factors other than policy research findings play a role in the various stages of the policy process. Politics, ideology, and national budgetary considerations all affect the way in which problems actually are addressed and the ways in which they are resolved. In a great many cases, perhaps most cases, these other factors carry far more weight than particular policy research findings. The point to be made is that policy research can and often does play a useful role in the process and may well influence the terms of the debate, if not the outcome.

Participants in the Social Security Policy Process

In the United States, as in most industrialized countries, Social Security policy is a matter of major public and political interest and attracts a large number and variety of players. Outside the Government there are advocacy groups and nonprofit policy research organizations, as well as a number of "eminences"—persons of present influence because of past position. Having quasi-governmental status are advisory groups appointed by a cabinet secretary, the President, or Congress. Official players include various representatives of the Executive Branch and most Members of Congress. Each of these participants uses policy research or analysis in a slightly different way.

Among the nongovernmental players, advocacy groups sometimes employ their own policy research and analysis staffs or they may contract with experts to conduct a particular study. Large advocacy groups, such as the American Association of Retired Persons, have staffs of researchers who focus on the Social Security problems that particularly affect their members. When there is legislative action pertaining to their members, these advocacy groups are able to propose legislative options as well as give assessments of the options considered best for their members. Other advocacy groups contract with academic policy researchers when they want to produce a report focusing attention on a specific problem.

Recently, one such advocacy group hired a team of policy researchers to project the future size and economic circumstance of the population that is elderly, poor, and living alone. Once the research was completed, the advocacy group held a seminar to brief the news media and other participants in the policy process, including some Executive Branch decisionmakers. The seminar addressed the research findings and endorsed certain policy options.

Nonprofit research organizations also do analysis under contract with the Government or for interest groups, as well as conduct research under their own initiative. A half dozen of these have real expertise in Social Security and other income transfer programs and contribute regularly to the policy debate. In contrast, university-based academic researchers seldom participate actively in Social Security policy discussions. These researchers generally conduct basic, not policy, research and their work becomes a part of the policy process as their findings are incorporated in simulation models, survey questions, or other tools for policy research.

The other type of nongovernmental policy participant is the individual who has previously been a Social Security decisionmaker within the Government and who continues to speak and write extensively on the program. A small number of these "eminences," fewer than 25, are still extremely influential in the policy process, both on their own and as members of advisory groups. They have an extraordinary level of technical expertise and a thorough grounding in Social Security policy research. Indeed, these individuals have well-established relationships with policy researchers and frequently deal directly with them. They may request additional pieces of data or analysis to buttress their arguments or proposals and suggest longer-term research projects that they believe will be useful in identifying problems or evaluating program outcomes.

A very influential quasi-governmental participant is the officially designated advisory committee. The law authorizing the Social Security programs requires the formation of a Social Security advisory council—representing employers, employees, and the general public—once every 4 years. These advisory councils have been reviewing the OASDI programs for almost the entire 50-year life of the programs; remarkably often, their recommendations are developed into legislative proposals and frequently enacted. Both the Executive and Legislative Branch decisionmakers have come to rely on these advisory groups as sounding boards for problem identification and to develop policy options that have broad-based support. Indeed, it is hard to think of a major Social Security policy change that has not previously been considered and endorsed by an advisory council. The advisory groups have small staffs that pull together existing policy research, but customarily little new research is done specifically for the group. Traditionally, however, policy analysts have played a major role in developing policy options to achieve goals articulated by the councils.

In addition to the groups appointed every 4 years, President Reagan and congressional leaders appointed a high level commission in 1981 that focused on short- and long-range Social Security financing issues. This group, the National Commission on Social Security Reform (NCSSR), was quite different from other advisory groups in that it included official decisionmakers (Members of Congress), as well as representatives of other interested parties (current workers, employers, and beneficiaries). Senior Administration officials also worked unusually closely with the Commission. Further, it was charged not so much with problem identification or option development, but rather with selection of a set of options from which could be forged a bipartisan consensus in support of a legislative package for Congress. The way in which the Commission operated, especially with regard to the retirement age issue, is discussed later.

The final broad class of policy participants are those with formal decisionmaking responsibility. Officials from several Executive Branch departments, as well as Members of Congress, are involved because the Social Security programs are so politically sensitive and represent such a substantial share of the Federal budget. Officials at all levels, from SSA to the President's immediate advisers, contribute to making Social Security policy decisions. In addition, while members of two committees in Congress have primary legislative authority for Social Security policy, virtually all legislators have a sense of political responsibility because of the continued popular support and very real economic impact of the programs on the economic status of their constituents. Indeed, a Member of Congress may well be reelected or defeated on the basis of his or her voting record on key Social Security issues.

Policy research and analysis play a somewhat different role for official policymakers than for those outside of Government. For one reason, issues tend already to be "hot" when they are placed on the agenda of the official policymaker. Frequently, there is time only to commission a quick review of what is known on a topic. The nongovernmental player in the policy process is most often concerned about a given topic long before the official player and will continue to be active in the process after the official policymaker has focused on different issues or moved to a different job. The lobbyist or the "eminence" can await the outcome of a study and have time to review and assess a considerable amount of information. The information needed by the official policymaker, in contrast, must be not just available, but also available in "user-friendly" form. This is because his or her own timeframe is much shorter than that of the nonofficial player or because the timeframe of the decisionmaking process demands more immediate responses. This means that the relevant research must have been started and completed in anticipation of its being needed. For example, SSA's Office of Research and Statistics staff is planning now to meet the information needs of the 1990's. Moreover, the findings need to be disseminated to the policy community and to become part of what the general population knows about a topic. Publication in scholarly journals is not sufficient.

In the United States an enormous amount of statistical data—derived from the Social Security Administration's administrative record system and from surveys conducted by the Census Bureau—is routinely made public. Findings from grants and contracts also are in the public domain. The public availability of these data to researchers, analysts, and decisionmakers is essential. But the analyst has a further responsibility. The role of the policy analyst is to distill the findings or numbers that are relevant to the policy debate, translate them into terms that make their implications clear, and disseminate them publicly.

In addition to providing information for other participants in the policy process, policy researchers and analysts must be willing to engage in the policymaking process and, indeed, to initiate their own involvement. A great many policy researchers view their professional role as that of objective-technical experts who should stay clear of politics, value judgments, and considerations of how the world "ought" to be. They analyze data, build models, and test hypotheses. According to this perspective, their job is done when their findings are published.

Others hold a significantly different view. The official policymaker often is not only unaware of research findings on today's urgent issue, but he or she is also often unaware that relevant research findings exist. It can be argued that the research expert has a responsibility to enter into the policy debate as an advocate for the most efficient use of public resources. Is a particular proposal the most target-efficient means to a given end? Have the secondary or indirect effects of its implementation been fully considered? What are the costs not only in terms of dollars but also in terms of behavioral incentives or disincentives? The policy researcher and policy analyst are uniquely able to answer such questions and, indeed, have a responsibility to bring such considerations to bear in the policy process.

Policy Research and OASDI Financing

The second part of this article illustrates how policy research has been contributing to the resolution of one problem in the Social Security system: the financial pressures resulting from (a) increasing longevity, (b) the significant increase in the fertility rate during the post-war baby boom, and (c) the relatively low recent and projected fertility rates. In 1983, a major share of this long-range financing problem was resolved by raising the age of eligibility for full retirement benefits (hereafter referred to as the retirement age or the normal retirement age) from 65 to 67. There will be a gradual change in the retirement age between the years 2000 and 2027. Benefits for retired workers still will be available at age 62, but the amount payable will be reduced gradually from the currently payable 80 percent of the unreduced benefit to 70 percent.

This section focuses on the role that policy research played at each stage in the policy process as well as discusses the roles played by particular individuals and groups.

Program Recognition and Discussion of Options

The first group to call attention to the long-run financing problem was the actuaries of the Social Security Administration. Each year the actuaries produce 75-year OASDI Trust Fund projections, which calculate income, benefit, and administrative expenditures. In the 1974 discussion of the long-range projections, the actuaries first raised the financing problem associated with the large baby-boom cohort. The 1976 discussion described how the Social Security system's costs would rise very rapidly after the turn of the century as the result of the large post-World War II cohort and the increase in longevity.

Longevity. The type of demographic problem facing the system is summarized briefly in the following tabulation. It shows that a man reaching age 65 today can expect to live another 14 years or more. This represents a 17-percent gain over 1940, when life expectancy at age 65 was about 12 additional years. Life expectancy for women has increased by a significantly greater percentage—38 percent. Women today can expect to live almost 19 years after reaching age 65, compared with 13.5 years in 1940. By the year 2000, life expectancy for men reaching age 65 will be 15.5 years and for women more than 21 years.

Life expectancy in 1980 for men and women reaching age 65 in specified years

Year	Life expectancy in years	
	Men	Women
1940	12.1	13.6
1950	12.7	15.0
1960	12.9	15.8
1975	13.7	18.0
1979	14.2	18.8
2000	15.5	21.2

Source: Francisco R. Bayo and Joseph F. Faber, **United States Population Projections for OASDI Cost Estimates, 1980** (Study No. 82), Office of the Actuary, Social Security Administration, 1980.

Demographic changes. Although the United States has lagged behind Europe in this regard, it, too, sees the aged population becoming a greater percentage of the total population. In 1940, about 7 percent of the total population in the United States was aged 65 or older; that figure has grown to 11 percent today and will reach 18 percent by 2030. The percentage of the population aged 65 or older will grow very rapidly in the period 2005-35, when those workers born during the post-war baby boom will begin to reach retirement age. This period will also be affected by the relatively low recent fertility rates and the rates projected for the rest of this century. Those in the working age population in the period 2005-35 will be a smaller proportion of the total population than has been the case in the recent past.

At about the same time that the actuaries began focusing on the financing issue, several major advisory panels became concerned about the effects of a decreasing ratio of workers to beneficiaries in the future that will occur as the baby-boom generation begins to retire. Several actuaries and demographers pointed out that an increase in the retirement age could be structured so that the same fraction of life was spent in retirement for future generations as had been the case at the beginning of the program. Raising the retirement age also was discussed as a financing option because its enactment would offset, at least to some extent, the need for future increases in the Social Security contribution rate and because it would appropriately recognize the past and projected improvements in longevity that have occurred since 1935, when the Social Security program began. Between 1975 and 1980, four advisory groups appointed by the President or the Secretary of the Department of the Health and Human Services discussed and/or recommended changing the retirement age as a way to ameliorate long-range financing problems.

The Congress had also considered raising the retirement age as a mechanism for reducing the future trust fund deficit. In 1977 and again in 1981, bills were introduced in Congress that would have raised the retirement age to 68 at about the turn of the century. These were not enacted, however.

During the late 1970's and early 1980's, both the short-term and long-range financial positions of the Social Security trust funds were deteriorating and the President and Congress were unable to reach an accord on a solution. In late December 1981, the President proposed a national commission, to be appointed by the President and congressional leaders, that would attempt to reach a bipartisan consensus on a financial solution. This National Commission on Social Security Reform met during 1982 and developed a series of recommendations designed to provide adequate financing for the program into the first part of the next century, but that did not fully address the deficit that would occur after the turn of the century when the baby boomers retire.

When the NCSSR made its final report in January 1983, a majority of its members agreed that the long-range deficit should be financed by a gradual increase in the normal retirement age. In part because of concerns about adverse effects on particular groups of workers, however, the proposal was not part of the official package sent by the Commission to the President and the Congress. Thus, the difficulty in dealing with the long-range deficit—by further contribution increases, benefit reductions, or increases in the retirement age—became a major issue as the legislation moved through Congress.

Clearly, research on current and future trends in mortality and fertility were important in focusing attention on the problem. Demographers and actuaries put the numbers together in a way that called attention to the financing problem and gave some insight into the factors causing it. However, there was very little examination of the attributes of various alternative methods for improving the financial status of the trust funds. In particular, there was not a great deal of attention paid to the effects on workers of changing the retirement age.

Conventional wisdom assumed that increases in longevity were accompanied by increases in the ability to work longer. In the report of some advisory groups, the issue of the ability to continue working to older ages was dismissed, in effect, because of past and projected increases in life expectancy. A retirement age of 68 in the year 2000 would provide retired-worker benefits for about the same number of years as did age 65 at the time the Social Security system began. To the extent that there was concern about the ability of older persons to work longer, this was dismissed by pointing to the existence of the Disability Insurance program to provide income support.

The NCSSR, in contrast, did hear directly from two researchers who had studied whether recent improvements in mortality were linked to improvements in health. In unpublished testimony, these analysts indicated that the data were not conclusive.

Dr. Robert Butler, who at that time was head of a governmental office charged with conducting research on aging, stated that "it appears that morbidity rates are rising and that the drop in mortality rates means a growing burden of serious sickness problems in the oldest population groups."

Dr. Jacob Feldman, a Government epidemiologist, told the same Commission, "It has been suggested that the decline of death rates for this age segment is tantamount to improved health or to a reduction in the prevalence of ill-health and work incapacity." Feldman argued that this was not so.

While definitive long-term trend data bearing on health status were not available, Feldman provided data on short-term trends. He told the NCSSR that the proportion of men aged 50-69 reported as being unable to work because of illness actually increased between 1970 and 1980, the period of rapid improvement in longevity for men of that age. Furthermore, the fragments of available evidence regarding work disability rates from earlier periods suggest even somewhat higher levels now than in the more distant past. Feldman said that rather than experiencing the predicted decline in the prevalence of work disability, this country appears to have been experiencing an increase.

It is interesting to note that Butler and Feldman brought "news" to the NCSSR. Little information on whether the health of older citizens was improving fast enough to justify an increase in the normal retirement age was on the shelf and the conventional wisdom—that increases in longevity must result in improvement in health—was based on little more than assumptions about the relationship between morbidity and mortality.

Legislative Enactment

In late January 1983, President Reagan urged Congress to enact within 2 months the package of proposals developed by the NCSSR. As noted earlier, a change in the retirement age initially was not a part of the package, but it was added in both Houses of Congress as the legislative process developed. The hearings and discussions on this bill were abbreviated in part because so much effort had gone into the development of a carefully balanced bipartisan consensus. As a result of curtailed legislative procedures, the retirement age provision was added without much additional discussion of whether there was evidence that the capacity to work more years had accompanied the increase in longevity. However, to forestall criticism that Congress ignored health and disability problems of older workers, both Houses of Congress included provisions calling for a study of the effects of an increase in the retirement age on such workers. These provisions were consistent with concerns expressed by the Commission, which had cautioned that if the retirement age were increased it would be necessary to address the special problems of those between age 62 and the normal retirement age who are in ill health or physically demanding jobs.

When the bill passed the Congress in the early hours of March 25, 1983, it included the gradual increase in the retirement age to age 67 beginning in the year 2000 and retained age 62 as the age at which early benefits could be received. It also included the mandate to study "the implications of the changes made by this section in retirement age in the case of those individuals . . . who, because they are engaged in physically demanding employment or because they are unable to extend their working careers for health reasons may not benefit from improvements in longevity." Retaining the age-62 benefit option, delaying implementation, and mandating a study represented a conservative approach to an issue on which there was little solid data.

Evaluation Before Implementation

The long period between enactment and implementation of this provision, as well as the study mandate, provide policy researchers with the time and rationale for conducting thorough studies of the relationships between mortality, morbidity, and ability to work. The circumstances also permit policymakers the luxury to consider modifying the laws if the research findings suggest such a course.

Primary responsibility for this evaluation was given specifically to the Office of Research and Statistics of the Social Security Administration. The evaluation was divided into three parts: (1) completion of the mandated study based on what is known, (2) identification of gaps in knowledge that ideally should be filled before the change in the retirement age becomes effective, and (3) the undertaking of further research to fill those gaps. The Office of Research and Statistics now is engaged in part three.

The report of the mandated study was sent to Congress on August 4, 1986. It began by estimating the percentage of workers retiring today who are in ill health or physically demanding jobs and by assessing the effect of the 1983 amendments on their income if the amendments were fully effective now. The analysis of the effect of the amendments today was done to provide a benchmark against which the implications of future trends could be assessed. The report then estimated the percentage of workers in 2000 and 2020 who are likely to be in physically demanding jobs. Next it discussed the relationship between mortality and health status, examined past trends in the work ability of older persons, and assessed trends in health status that may affect the size of the group in ill health in the future. Finally, the report projected the effects of the change in the retirement age on the total income of retired workers, and suggested the extent to which workers, particularly those in physically demanding jobs or ill health, may extend their work lives or increase their saving in response to the changes in the law.

The study was limited to estimating the size of the group in physically demanding jobs or in ill health and the effects of the change in the law on them. It did not address other implications of raising the retirement age, such as the demand for older workers 20-40 years hence. It also was limited to workers approaching retirement age. It did not address the effect on aged survivors (for whom the age at which full benefits are payable also will increase from 65 to 67). And it did not address the potential effects of the law on other programs, such as the Disability Insurance or the means-tested Supplemental Security Income program.

The analysis was based on information in the 1982

New Beneficiary Survey, which collected data about the occupations, health status, and incomes of a sample of persons who received their first Social Security benefits in 1980 or 1981. Physically demanding jobs were defined, for the purpose of the analysis, using strength demands of the respondent's last job before claiming benefits. Ill health was defined as self-reported work incapacity at the time of the interview. The analysis showed that 18.5 percent of new retired workers had at least partial work limitations and had had jobs with heavy strength requirements. About 30 percent were unable to work and had had jobs with heavy strength requirements or had partial limitations and jobs with medium strength requirements. The strength requirements and degrees of work capacity can be combined to produce any number of estimates. Regardless of the definition used, those in physically demanding jobs or in ill health:

- Tended to have median income equal to about three-fourths that of other new retirees.
- Relied on Social Security benefits for just more than half their total income on average and thus would experience a reduction in total income of about 7 percent if the change in the law were fully effective now, if benefits were claimed at the same ages as under present law, and if there were no offsetting increases in other income sources.

The analysis further showed that:

- Projected changes in the occupational mix are likely to reduce the proportion of workers approaching retirement who will be in jobs with heavy strength requirements from 11.4 percent now to 8-10 percent by 2000 and 79 percent by 2020.
- Recent trends in the illness and work limitation patterns of persons aged 62-67 are ambiguous.
- It is extremely difficult to predict whether future improvements in the environment, lifestyle, or medical technology will lead to a substantial decrease in the percentage of workers who are in ill health as they approach retirement in the future.
- The difference in retirement income between new retirees in arduous jobs or ill health and other new retirees is not likely to be much different in the future than it was in 1982.
- Growth in other sources of income is not likely to alter substantially the degree to which retirees rely on Social Security.
- It is not clear whether future retirees in physically demanding jobs or ill health will have been able to save to offset a potential benefit reduction; it seems unlikely that they will substantially extend their worklives.

A central question implicit in the mandate for the study was: Will those approaching retirement age in the future be more likely than today's retirees to extend their worklives an additional year or two—because they are healthier or because they are less likely to be in physically demanding jobs?

The study provided the best available answers to that question given the limits of existing data. As work on the study progressed, however, the researchers became aware of many information gaps and methodological weaknesses in their ability to forecast the effects of the increase in the retirement age. Research needs that became apparent include the following:

- **Health status and ability to work**. The study found current research ambiguous about recent trends in the health status of older workers and equally inconclusive about trends in the future ability of older persons to work. Further research could help narrow the range of uncertainty about this important issue.
- **Physically demanding jobs**. The study makes clear that the concept of physically demanding jobs needs refinement, particularly as such jobs relate to the ability of older persons to continue working. More sophisticated analyses than those possible in the study could be used to develop better projections of the extent to which such jobs will be represented in the labor force when the new retirement age phases in.
- **Measurement issues**. The study grappled with numerous problems inherent in current measures of ill health and physically demanding jobs. Additional research could improve those measures and our understanding of them.
- **Interprogram effects**. These analyses would examine the potential effects of raising the retirement age on the Social Security Disability and Survivors Insurance programs, the Supplemental Security Income program, and on the Medicare program.
- **Responses to the increased retirement age**. In anticipation of the older retirement age, workers may save more or work longer. Other income sources, such as private pensions, also are likely to respond to the change. Additional research could suggest the magnitude of these responses.

Responding to those research needs is a primary task of the Office of Research and Statistics intra- and extramural research agendas now and for the coming years. However, answering the questions that should be answered well before the increase in the retirement age becomes effective is a task that exceeds the resources and the expertise of the Social Security Administration's research staff. In particular, a cooperative effort will be needed to work through the tremendously complicated interaction between health and economic concerns. Researchers working on health issues and aging have not yet had enough interaction with those working on economic issues and aging. So when a major issue comes at the intersection of these two areas, some time will have to be spent by researchers acquiring or combining expertise in the two areas. Specifically, questions about future trends in health status and ability to work and their relationship with willingness to extend worklives will demand interdisciplinary expertise.

Conclusion

This conclusion draws some implications from what was just discussed as well as from the author's involvement in the policy research and analysis field. This section discusses a bit more about the role of research in the policy process and reemphasizes some proposals to make it more useful.

The Role of Research

As indicated, policy research and analysis have the potential to inform and shape policymaking at every stage of the process. Through surveys and other sources of information, problems are identified and their extent quantified. As the data suggest the cause of a problem, so too can the data suggest options for solving, or at least ameliorating, it. Once a law has been passed, research can indicate the most efficient means of implementing it. And once the new program or policy is implemented, research can tell us how well it is or is not working, and whether new problems exist.

Making Research More Useful

As noted earlier, the extent to which research is useful and influential in the policymaking process depends on (1) the extent to which it anticipates information needs, (2) the extent to which data and findings are disseminated in a form that is easily accessible and with content that is easily understood by policymakers, and (3) the extent to which analysts are willing to become actively engaged in the process.

One of the most important and difficult arts in managing a research organization is commissioning the studies and initiating the development of data bases that will be needed to answer questions 5 and 10 years ahead. The luxury of knowing that a new law will be implemented 15 years hence is extraordinrily rare. The average tenure of the heads of major Federal Government departments has been about 2.5 years. That means research is planned under one administrator, carried out under another, and analyzed to meet the policy information needs of a third (who may well have a different viewpoint from the first). To have in place the means with which to respond to that third administrator—while preparing for yet another—is, to say the least, a challenge. It would behoove those who are research managers to think further about how to plan ahead more systematically, to make what is now an art more of a science.

Next is the need to make the researcher's work more accessible. Jokes are sometimes made about researchers bringing their studies to policymakers in wheelbarrows. There may even be a certain arrogance, among researchers, about the need for policymakers to "read all about it" before making a judgment on given issues. But policymakers just do not have time to wade through long reports or to find the key numbers in a table with 500 cells. The process moves too quickly. Highlighting the most relevant findings, preparing a chart to display trends in data, and reconciling disparate estimates is increasingly becoming the role of the policy analyst. Some players in the policy process—the advocacy groups, the "eminences"—may in fact want access to detailed, undigested research studies. But for policymakers, the official players, policy analysts are an essential link with the policy research community.

Finally, and perhaps most important, is the need for policy analysts, if not the researchers themselves, to get off the sidelines and to engage actively in the policymaking process. Budget analysts advocate the least expensive way to implement a policy. Interest groups organize to fight for a larger slice of the pie for their constituents. Policy analysts have a unique ability to bring information to bear on the most effective way to accomplish a goal, the way to make the dollar go the farthest, the way to meet the greatest need. Policy analysts must become advocates of efficiency. Until the analysts are willing to participate more actively in the process, they might as well send research reports out to sea in bottles.