



FAMILY PROXIMITY AND CO-RESIDENCE IN RETIREMENT: HETEROGENEITY IN RESIDENTIAL CHANGES ACROSS OLDER ADULTS CARE CONTEXTS

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Using data from the Health and Retirement Study between 2000 and 2018 to follow older adult households up to six years pre- and post-retirement, this study examines the extent to which older adults have reorganized their living arrangements in the early years of retirement to be near their children and grandchildren, to what extent this is tied to child care needs, and whether such moves are associated with earlier claiming of Social Security benefits, which can have implications for the financial security of older adults.

Evaluating Whether Older Adults Leverage Retirement to Make Family-Related Moves and Examining Connections to SSA Benefits Claims Timing.

This study is focused on understanding how residential changes to live near or with family coincide with retirement for older adults, and how grandchild-related care needs may moderate this association. We know from prior work, that caregiving by grandparents is a common family strategy to manage child care costs. We also know that this caregiving influences retirement timing among older adults and living in close proximity can facilitate this care. However, not all older adults live near their children and making residential changes around the time of retirement may impact Social Security claiming, especially if older adults are retiring early to facilitate these moves. If they are more likely to claim Social Security prior to the full retirement age, they could see lower monthly benefits compared to their peers not making such changes. We ask: how does retirement as a life event impact the risk of making a residential change to be near or live with family? Do grandchild care needs increase this risk? And does this have implications for when older adults claim Social Security retirement benefits? The project has three important findings:

Retirement is a Key Turning Point for Family-Related Moves.

We find that among older adults not currently living near their children, the risk of making a residential change that puts them in close proximity to at least one child nearly doubles at the time of retirement, compared to risk in their pre-retirement years. This analysis underscores the importance of thinking about retirement as a key life event that motivates these changes. See Figure 1.

Grandchild Caregiving Responsibilities Modestly Increase Risk of Such Moves in the Years around Retirement.

We find that the risk of a move that puts them in close proximity to family is higher in all waves for older adults who report caring for a grandchild. At the time of retirement, the average caregiving older adult has a 1 in 5 risk of making such a residential change, compared to a 1 in 10 risk pre-retirement. See Figure 2.



Making These Family-Related Moves around Retirement Does Not Disproportionately Increase Risk of Early SSA Benefits Claiming.

We find that older adult caregivers making such moves around the time to retirement do not disproportionately have a higher risk of claiming retirement benefits (i.e., receiving a lower monthly benefit amount), compared to peers not making such moves and/or not providing such care. See Figure 3.

Figure 1.

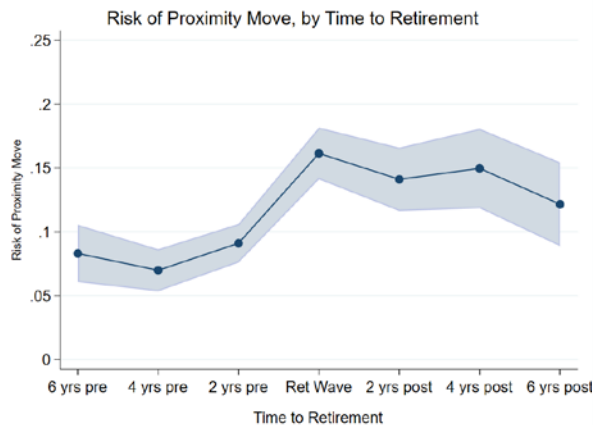


Figure 2.

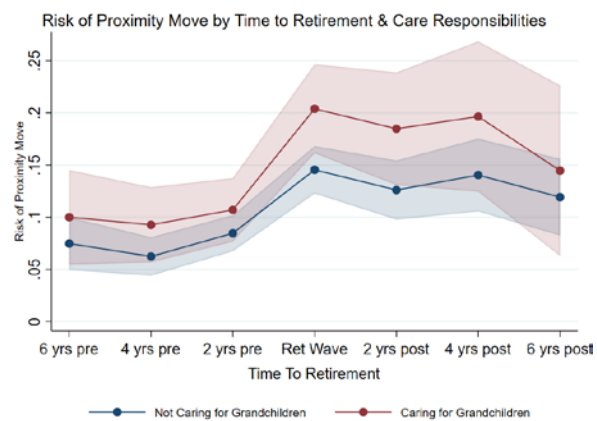
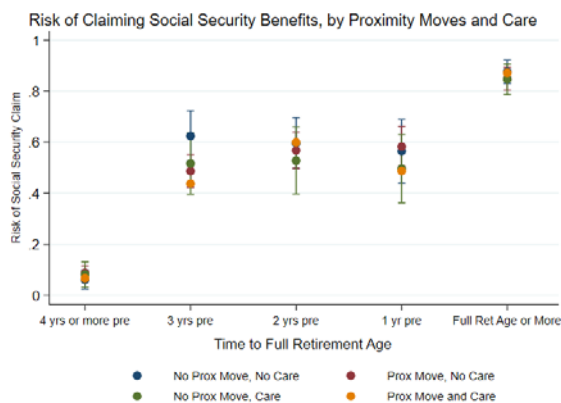


Figure 3.



Implications

- Although there may be other trade-offs for older adults as they reorganize their living arrangements to help manage family care needs, there is little evidence that residential changes and caregiving around retirement impact Social Security benefits claims timing.
- This study can be used as a pre-pandemic benchmark to understand how the ongoing Covid-19 pandemic may have shifted the nature and consequences of family-related residential changes and caregiving responsibilities of older adults.

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