



National Bureau
of Economic Research

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The Honorable Sam Johnson
Chairman, Subcommittee on Social Security
Committee on Ways and Means
U.S. House of Representatives
1102 Longworth House Office Building
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Xavier Becerra
Ranking Member, Subcommittee on Social Security
Committee on Ways and Means
U.S. House of Representatives
1102 Longworth House Office Building
U.S. House of Representatives
Washington, D.C. 20515

RE: Submission for the February 2, 2012 Hearings on Social Security Death Information

Dear Chairman Johnson and Ranking Member Becerra:

We are writing to describe the substantial value of the Death Master File (DMF) maintained by the Social Security Administration to scholars and policy analysts studying issues relating to population aging and the health and economic status of elderly households. We urge you and your staff to preserve access to the DMF for research purposes, and to restore access to DMF state records that can further enhance health and social science research. Even a brief interruption in the availability of these data could have adverse consequences for a number of significant and ongoing research studies.

The DMF is a fundamental input to the creation of new longitudinal databases that are used in social science research. It is the only way researchers can identify decedents in a timely manner and at low cost - an essential step in large on-going data collection efforts, such as the Health and Retirement Study (HRS). That data set, the HRS, is currently widely used by researchers who study issues such as saving, the demand for and use of long-term care arrangements, and retirement behavior. Dozens of research studies each year rely on the HRS data. The HRS tracks households that were headed by individuals between the ages of 51 and 61 in the early 1990s. The findings from the HRS data analysis are published in leading academic journals and are used in a variety of policy-making contexts.

Tracking vital status -- whether a survey participant is still alive -- is critical in studies of older populations. The DMF is the only source of timely information on death, and with the DMF, it is possible to study the circumstances surrounding death, such as the effects of living near family members or the effect of larger financial asset holdings by the decedent. Because the DMF includes Social Security numbers, it provides a very accurate source of mortality information and it avoids the risk of measurement errors due to incorrect matching between death records and sample survey information. Researchers also use the DMF data to provide a helpful benchmark on self-reported variables in social surveys, such as age. Without the DMF, it would be much more difficult to find objective source of information. This information can be compared with self-reported age to judge the quality of the survey in general.

Researchers at the National Bureau of Economic Research, a non-profit economic research organization that counts nearly twelve hundred academic researchers among its affiliates, are currently using the DMF records to examine the link across generations between longevity and early life circumstances such as birth weight, delivery complications, and parents' socioeconomic status. Understanding the determinants of health and longevity in the elderly population is essential for forecasting future Social Security, Medicare, and Medicaid liabilities. Researchers have used the DMF records to obtain information on death date and last residence for the generations born between 1895 and 1900. They are currently extending this research to the generations born between 1915 and 1919, and a pilot project is currently underway to link generations born in the 1920s, as well their siblings and parents, to the DMF. These projects would be impossible without the DMF. The only other source of the relevant mortality information, the National Death Index, is more difficult to work with than the DMF. It is also much more expensive, and it is less well suited to the research enterprise.

We encourage your Committee to preserve access to the DMF, and to search for ways to balance privacy concerns with the important needs of the research community. We hope that you and the Social Security Administration staff will be able to avoid excluding the research community from DMF access, and that even if there are some limitations placed on DMF access, it will still be possible for researchers to access the information in the DMF for the type of research exercises that we described above. Thank you for your consideration.

Sincerely,



Dora Costa
Director, NBER Cohort Studies Working Group
Professor of Economics, UCLA



James Poterba
President and CEO, NBER
Professor of Economics, MIT

cc: D. Newlon
D. Wise