cost of social security in North America will rise significantly after the next twenty to thirty years. Although the programs in both countries are estimated to be adequately financed, the projected contribution rates and the estimated future paths of fund balances are quite different in each country. *Social Security Bulletin*, Vol. 52, No. 4 (April 1989), pp. 2-13.

Eliminating the Medicare Waiting Period for Social Security Disabled-Worker Beneficiaries, by Barry V. Bye (Social Security Administration) and Gerald F. Riley (Health Care Financing Administration).

Medicare eligibility for Disability Insurance beneficiaries begins no earlier than twenty-four months after entitlement to benefits. Using a unique file of longitudinal data, Medicare costs during the waiting period have been estimated for a cohort of beneficiaries first entitled to disability benefits in 1972. The estimates suggest that the ten-year cost to Medicare of this cohort would have increased by about 45 percent if the waiting period had been eliminated and if Medicare were the primary payer during that time. Thirty percent of the increase in expenses would have been for persons who died within two years of entitlement to disability benefits. *Social Security Bulletin*, Vol. 52, No. 5 (May 1989), pp. 2-15.

Institutional Barriers to Employment of Older Workers, by Diane E. Herz and Philip L. Rones (Bureau of Labor Statistics, U.S. Department of Labor).

This article discusses various institutional obstacles faced by older persons who might want to work. It discusses the impact of Social Security regulations and pension policies on work activity, the market for part-time jobs, and age discrimination. Anticipating a drop in the ratio of workers to retirees as the baby boomers become eligible for retirement, federal policy has been directed toward encouraging workers to extend their worklives. Social Security regulations have been altered to encourage later withdrawal from the labor force, and mandatory retirement has been prohibited - regardless of age. *Monthly Labor Review*, Vol. 112, No. 4 (April 1989), pp. 14-21. (Reprinted with permission of the *Journal of Economic Literature*).

Aggregate and Distributional Effects of Fair Social Security, by Edi Karni (The Johns Hopkins University) and Itzhak Zilcha (Tel Aviv University).

In an overlapping generations economy with production, endogenous labor supply, a bequest motive, and uncertain lifetime, we show that a fair, fully-funded social security program reduces the aggregate levels of output, employment, capital, and savings. We determine the necessary and sufficient conditions for this social security program to increase the inequality of the income distribution. The conclusions apply to the entire non-stationary, competitive, equilibrium path taken by the economy following the introduction of social security. *Journal of Public Economics*, Vol. 40, No. 1 (October