This paper explores the recent decline in the fraction of unemployed workers who receive unemployment insurance benefits. Using March Current Population Surveys, we compare the fraction who are potentially eligible for benefits with the fraction who receive them. The decline in insured unemployment is almost entirely due to a decline in the early 1980s in the takeup rate for benefits. We analyze the determinants of the takeup rate, using both aggregated state-level data and micro-data. At least half the decline is due to an increasing share of unemployment in states with lower takeup rates. *The Quarterly Journal of Economics*, Vol. CVI, Issue 4 (November 1991), pp. 1157-89. (Reprinted with permission of *The Quarterly Journal of Economics*).

PENSIONS AND RETIREMENT

Explaining Pension Dynamics, by Rebecca A. Luzadis (Miami University) and Olivia S. Mitchell (Cornell University and the National Bureau of Economic Research)

Whether and how the labor market will adapt to anticipated changes in the workforce age distribution depends on how able companies are to induce desired turnover patterns among older and younger employees. This paper contends that companies can and will use pension plan provisions as powerful incentives to induce people to remain on their jobs, and perhaps even more importantly to leave at later ages. A longitudinal file of collectively bargained pension plans gathered by the United States Bureau of Labor Statistics is examined empirically. We find dramatic increases in benefit levels, reductions in early, normal and deferred retirement ages, and declines in the age at which pension present values peak (with retirement after that age penalized). Several explanations for these observed pension outcomes are evaluated empirically. We believe that these findings indicate how employer-provided pensions can and will play an important role in helping companies induce desired turnover patterns as the workforce ages. *The Journal of Human Resources*, Vol. XXVI, No. 4 (Fall 1991), pp. 679-703. (Reprinted with permission of *The Journal of Human Resources*).

Windows and Retirement, by R. L. Lumsdaine, J. H. Stock, and D. A. Wise

The typical defined benefit pension plan provides substantial incentives to retire early, often as young as fifty-five. In addition, in recent years many firms have offered "window" plans that provide further incentives to retire. Window plans provide special bonuses to a specific group of workers - often defined by age, occupational group, or even a division within the firm - if the worker retires within a specified period of time, typically a year or less. This paper presents estimates of the retirement effects of such window plans, based on the experience of a large Fortune 500 firm. ***Annales d'Économie et de Statistique***, No. 20-21 (October 1990-March 1991), pp. 219-42. (Reprinted with permission of the ***Journal of Economic Literature***).