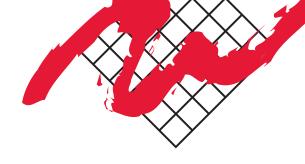
Briefing Paper



IWPR # D480 November 2007 \$5.00

The Economic Security of Older Women and Men in the United States

Social Security is the most common source of income for seniors in the United States, and is especially crucial for women.

- Nearly 9 in 10 men and women aged 65 or older receive Social Security benefits (Table 2).
- For older women, Social Security averages half of their income (50 percent of income; Figure 4).

Fewer older women than men have pension income.

- Fewer than 1 in 3 women receives pension income compared with nearly 1 in 2 of men (Table 2).
- For those who have pensions, the typical woman receives little more than half as much as the typical man (\$6,388 versus \$11,971; Table 2). Comparing all women and men (those with and without pensions) women's pension income averages only about one-third of men's (Figure 4).

The majority of older women live alone.

- 57 percent of older women are not currently married; they are widowed, divorced, or never married (Table 1).
- 55 percent of older white women (8,958,700), 74 percent of older African American women (1,302,000), 60 percent of Hispanic women (765,000), and 52 percent of Asian American women (317,000) are not married. Altogether, nearly 11.5 million women aged 65 and older are not married (Table 1).

Many seniors in the United States continue to work for pay.

- 13 percent of older women (2,668,000) and 22 percent of older men (3,393,000) in the United States work for pay (Table 2).
- Older men outearn older women almost two to one (\$20,000 for men and \$11,297 for women annually).

Women are more likely than men to be poor or disabled.

- More older women (843,000) than older men (379,000) report that they receive Supplemental Security Income (SSI) government assistance (older people who live in nursing homes and other group settings are excluded from these data).
- Older women are almost twice as likely to receive Supplemental Security Income (SSI) government assistance as older men (4.2 percent versus 2.5 percent; Table 2). Older women and men of color are much more likely to receive SSI than their white counterparts.

Older African American and Hispanic women are the most likely to be poor and the least likely to have income from assets such as savings accounts or stocks and bonds.

- More than 1 in 4 older African American women (27 percent), about 1 in 5 older Hispanic women (22 percent), and about 1 in 8 older Asian American women (12 percent) in the United States is poor, compared with only 1 in 20 older white men (5 percent), as shown in Table 1 and Figure 2.
- Only 25 percent of older African American women and 23 percent of older Hispanic women, compared with 66 percent of older white men, have income from assets. Among those who have asset income, the typical African American woman receives about one-fourth and the typical Hispanic woman receives about one-fifth the amount the typical white man receives (\$312 per year and \$257 per year versus \$1,277 per year; Table 2).

Economic Security among Older People in the United States: Gender and Race/Ethnic Disparities Persist

This briefing paper summarizes findings from a larger study on the income sources, marital patterns, and living arrangements of older Americans across racial and ethnic groups conducted by Sunhwa Lee, "Racial and Ethnic Differences in Women's Retirement Security," forthcoming in *Women in the Retirement Years: New Sources of Diversity*, edited by Heidi Hartmann and Sunhwa Lee. The empirical analysis is based on data from the US Census Bureau's Current Population Survey, 2002-2005 Annual Social and Economic Supplements (formerly Annual Demographic March Supplements), covering the calendar years 2001-2004. Several years of the Annual Supplement are merged to secure sufficient numbers of women from different racial and ethnic groups for analysis. The study focuses on those aged 65 and older who are non-Hispanic whites, non-Hispanic African Americans, Hispanics (of any race), and Asian Americans (Native Americans are not analyzed separately due to their small numbers).

Poverty and Median Incomes

The economic well-bring of the older population in the United States is characterized by considerable diversity by gender, race, and ethnicity. Marital status is also an important source of diversity. In general, women have lower incomes than men, minorities have lower incomes than whites, and single people have lower incomes than married couples. Older women are more likely to be poor (12.3 percent) than older men (7.3 percent), and poverty rates among minority women are especially high (see Figure 2). Moreover, the majority of older women (57 percent) are single—including those who are widowed, divorced, or never married—compared with only 26 percent of older men

(Table 1). Given that the typical older woman has a personal income that is less than three-fifths of the typical older man (\$11,671 versus \$20,420; Table 1), and that older people generally have lower incomes than prime age adults, older single women are typically less financially secure than other demographic groups, such as married couples or single men at both younger and older ages. Overall, almost 2.5 million older women live in poverty in the United States, compared with 1.1 million older men.

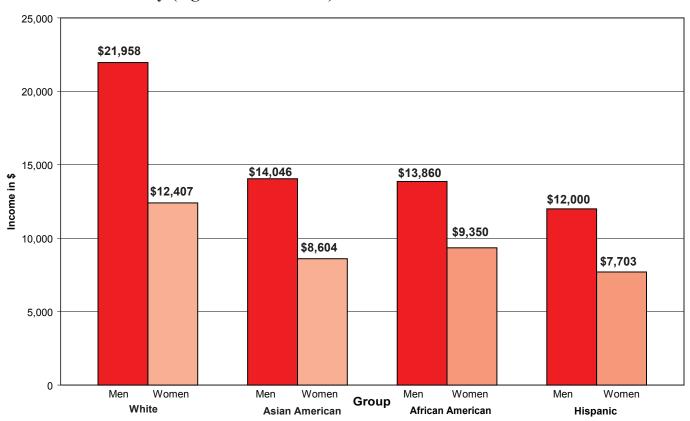
Significant racial and ethnic disparities persist along side of gender disparities among seniors. Median personal incomes among older African American, Hispanic, and Asian American women are all less than half the median

Table 1. Characteristics of Older Women and Men by Race/Ethnicity (Aged 65 and Older)

	African		Asian		
White	American	Hispanic	American	All¹	Total Population
81.5	8.7	5.9	2.9	100.0	20,062,666
44.7	26.3	39.5	48.1	42.8	8,586,821
10.0	27.2	22.3	11.8	12.3	2,467,708
\$12,407	\$9,350	\$7,703	\$8,604	\$11,671	
(34,582)	(6,014)	(3,541)	(1,934)	(46,928)	
82.5	7.5	6.0	3.1	100.0	15,146,792
75.4	59.0	70.3	78.8	73.8	11,178,333
5.3	17.3	17.6	11.4	7.3	1,105,716
\$21,958	\$13,860	\$12,000	\$14,046	\$20,420	
(26,333)	(3,742)	(2,714)	(1,506)	(34,967)	
	81.5 44.7 10.0 \$12,407 (34,582) 82.5 75.4 5.3 \$21,958	White American 81.5 8.7 44.7 26.3 10.0 27.2 \$12,407 \$9,350 (34,582) (6,014) 82.5 7.5 75.4 59.0 5.3 17.3 \$21,958 \$13,860	White American Hispanic 81.5 8.7 5.9 44.7 26.3 39.5 10.0 27.2 22.3 \$12,407 \$9,350 \$7,703 (34,582) (6,014) (3,541) 82.5 7.5 6.0 75.4 59.0 70.3 5.3 17.3 17.6 \$21,958 \$13,860 \$12,000	White American Hispanic American 81.5 8.7 5.9 2.9 44.7 26.3 39.5 48.1 10.0 27.2 22.3 11.8 \$12,407 \$9,350 \$7,703 \$8,604 (34,582) (6,014) (3,541) (1,934) 82.5 7.5 6.0 3.1 75.4 59.0 70.3 78.8 5.3 17.3 17.6 11.4 \$21,958 \$13,860 \$12,000 \$14,046	White American Hispanic American All¹ 81.5 8.7 5.9 2.9 100.0 44.7 26.3 39.5 48.1 42.8 10.0 27.2 22.3 11.8 12.3 \$12,407 \$9,350 \$7,703 \$8,604 \$11,671 (34,582) (6,014) (3,541) (1,934) (46,928) 82.5 7.5 6.0 3.1 100.0 75.4 59.0 70.3 78.8 73.8 5.3 17.3 17.6 11.4 7.3 \$21,958 \$13,860 \$12,000 \$14,046 \$20,420

Source: IWPR calculations based on the Census Bureau's Current Population Survey, Annual Social and Economic Supplement, 2002-2005. **Notes:** ¹Statistics for "All" include Native Americans, others, and those with two or more races. ² "Total Population" refers to population estimates for the population aged 65 and older calculated by IWPR using DataFerrett at the Census Bureau website based on the 2005 Annual Social and Economic Supplement. ³Income data are for calendar years 2001-2004 in 2004 constant dollars.

Figure 1. Median Annual Personal Income for Older Women and Men by Race and Ethnicity (Aged 65 and Older)



Source: IWPR calculations based on the Census Bureau's Current Population Survey, Annual Social and Economic Supplement, 2002-2005. **Note:** Income data are for calendar years 2001-2004 in 2004 constant dollars.

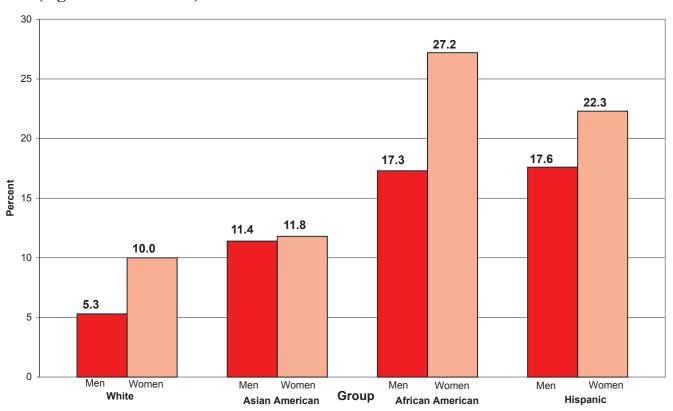
personal income of white men (Table 1 and Figure 1). The poverty rate for African American women (27 percent) is more than five times the rate for white men (5 percent). For Hispanic women (22 percent) it is more than four times the rate for white men (Table 1 and Figure 2). The proportions married and single also vary dramatically across racial and ethnic groups. Asian Americans have the highest proportion married, followed by whites, and then Hispanics. Among older Americans, African Americans have the lowest proportions married at 26 percent for women and 59 percent for men (see Table 1 and Figure 3). The low marriage rate for older African American women contributes to their high average poverty rate. Unmarried African American women have a poverty rate of 32 percent compared with a rate of 14 percent for married African American women (Lee forthcoming).

Examining the sources of retirement income for older men and women provides important insight into the financial security of different demographic groups (Table 2). Table 2 displays median income amounts for those who receive each source (those with zero values are excluded from the calculations). Social Security is the most common source of retirement income for both women and men. Social Security provides income for more than 31 million people, nearly 90 percent of the total older population in the country (Table 2).

With the exception of the relatively small share of the older population that is working for pay, Social Security is also the largest source of income for all groups. For those who receive both pensions and Social Security, Social Security still provides the larger share (data not shown). African American women have relatively high pension income (\$6,997 annually compared with \$6,300 for white women, for example). This outcome most likely reflects African American women's historically higher rates of labor force participation over their lifetimes and their higher rates of employment in union jobs, both in the public and private sectors.

It is important to note that for women who receive pension income, the median amount received is much lower than the amount received by men with pensions for all racial and ethnic groups, averaging about half (\$6,388 compared with \$11,971; Table 2). Also, a much lower proportion of women than men receive pension income in all demographic groups. Less than 30 percent of older women overall receive any income from pensions (including their husband's pensions), while nearly half of older men have income from pensions (46 percent; Table 2). Even lower proportions of older women from racial and ethnic minority groups have pension income: only one-quarter of African American women and less than 20 percent of Asian American and Hispanic women have pension income.

Figure 2. Poverty Rates for Older Women and Men by Race and Ethnicity (Aged 65 and Older)



Source: IWPR calculations based on the Census Bureau's Current Population Survey, Annual Social and Economic Supplement, 2002-2005.

With respect to Social Security, it is important note that the median annual benefit for women is only 70 percent of the median annual benefit for men (\$8,707 versus \$12,324 per year). Given the high poverty rates observed among women, and especially women of color, Social Security could provide more fully for women, especially those from racial and ethnic minorities. Only two-thirds of older Asian American women (67 percent) and three-quarters of older Hispanic women (76 percent) have income from Social Security (compared with over 90 percent of white men and women; Table 2). More research is needed to determine the reason for lower coverage among these groups. Not only do these groups have high shares of immigrants who have had less time to become eligible (eligibility requires ten years of covered employment at annual earnings of \$4,000 in 2007) but they may more often work in jobs, such as domestic work or agriculture, where compliance is weak.

Income from assets (such as savings accounts, stocks and bonds, and real estate) is the second most common source of income after Social Security, for older women and men, with more than half of them receiving income from assets (54 percent of women and 60 percent of men; Table 2). Nevertheless, the annual median income received from

assets is very small (\$973 for women and \$1,183 for men; Table 2). Of all the key income sources, the largest racial and ethnic gap is shown in income from assets. African Americans and Hispanics are less than half as likely as whites to have any income from assets, and the amounts received among these groups are markedly lower than those for their white counterparts. For African American and Hispanic women with any asset income, their median incomes (\$312 and \$257, respectively) are less than one-third of the amount for white women (\$1,031) and less than one-quarter of the amount for white men (\$1,277; Table 2).

Other than benefits from Supplemental Security Income (SSI), earnings are the least common source of income among older Americans. Overall, 13 percent of older women work compared with 22 percent of older men (see Table 2). Among older people who are working, the typical older woman also earns just over half the annual amount earned by the typical older working man (\$11,297 compared to \$20,000).

Figure 4 displays the average share from each income source for all women and all men, highlighting many of the same trends for men's and women's benefits, income, and earnings (this figure includes zero values for those who have no income from a particular source). Average Social Security benefits clearly dominate average pension income for both

Table 2. Retirement Income Sources among Older Women and Men by Race and Ethnicity (Aged 65 and older)

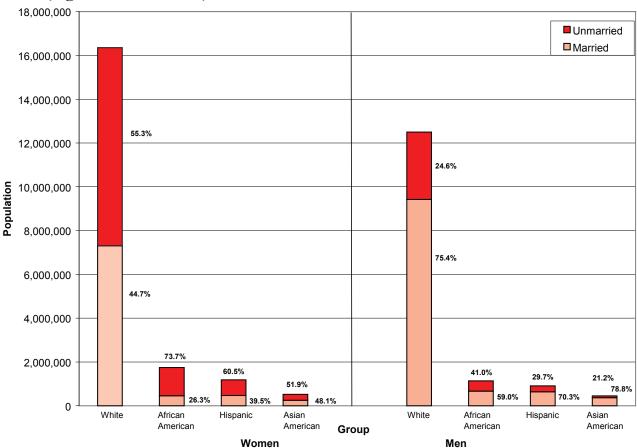
WOMEN

		African		Asian	
	White	American	Hispanic	American	All ¹
Total Population ²	40,000,444	4 700 047	4 000 057	000 004	
•	16,200,144	1,766,017	1,263,657	622,861	20,062,666
Social Security					
Percent receiving	91.7	83.5	76.1	66.5	89.3
Median annual benefit received ^{3,4}	\$9,000	\$7,809	\$7,042	\$7,920	\$8,707
Pension					
Percent receiving	30.5	26.0	12.7	17.1	28.6
Median annual income received	\$6,300	\$6,997	\$6,000	\$7,182	\$6,388
Assets					
Percent receiving	60.4	25.4	23.0	40.4	54.4
Median annual income received	\$1,031	\$312	\$257	\$975	\$973
Earnings					
Percent employed	13.6	12.9	10.6	11.3	13.3
Median annual earnings received	\$11,297	\$10,670	\$13,272	\$12,500	\$11,297
SSI					
Percent receiving	2.4	11.1	13.7	14.2	4.2
Median annual benefit received	\$2,561	\$2,558	\$3,495	\$7,296	\$3,087

		African		Asian	
	White	American	Hispanic	American	All
Total Population	12,439,291	1,125,889	930,072	485,127	15,146,792
Social Security					
Percent receiving	90.8	82.7	78.5	66.7	88.6
Median annual benefit received	\$12,751	\$10,399	\$9,603	\$10,883	\$12,324
Pension					
Percent receiving	49.1	34.6	24.3	29.3	45.8
Median annual income received	\$12,000	\$11,268	\$9,286	\$12,000	\$11,971
Assets					
Percent receiving	66.1	29.7	28.2	49.1	60.4
Median annual income received	\$1,277	\$481	\$336	\$1,154	\$1,183
Earnings					
Percent employed	22.8	19.4	20.6	20.7	22.4
Median annual earnings received	\$20,000	\$18,139	\$17,755	\$24,150	\$20,000
SSI					
Percent receiving	1.5	5.2	7.9	10.4	2.5
Median annual benefit received	\$4,938	\$3,084	\$3,389	\$6,930	\$4,481

Source: IWPR calculations based on the Census Bureau's Current Population Survey, Annual Social and Economic Supplement, 2002-2005. **Notes:** ¹Statistics for "All" includes Native Americans, others, and those with two or more races. ² "Total Population" refers to population estimates for the population aged 65 and older calculated by IWPR using DataFerrett at the Census Bureau website based on the 2005 Annual Social and Economic Supplement. ³Benefit, income, and earnings data are for calendar years 2001-2004 in 2004 constant dollars. ⁴Median annual amounts are calculated only among people who received income from each source, excluding zero values in the calculation.

Figure 3. Population of Married and Unmarried Women and Men (Aged 65 and Older)



Source: IWPR calculations based on the Census Bureau's Current Population Survey, Annual Social and Economic Supplement, 2002-2005.

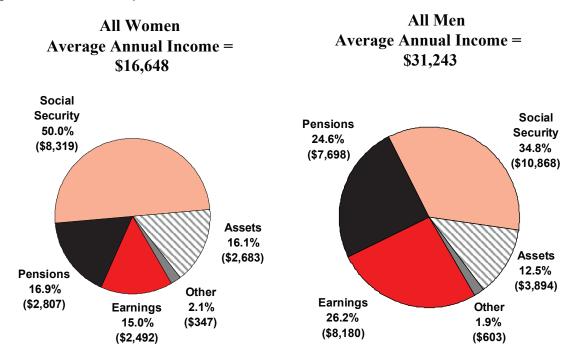
women and men, but more so for women, because so many more women than men (two thirds versus one half) have \$0 from pension income. While women depend on Social Security benefits to make up a much larger share of their total personal income (50 percent compared with 35 percent for men), women on average receive consistently less than their male counterparts from Social Security, as well as from pensions, assets, and earnings (Table 2 and Figure 4). In light of these figures, there should be little surprise that older women are over one and a half times more likely than older men to rely on Supplemental Security Income (SSI), a form of means-tested government assistance available to the elderly and the disabled (Table 2). More older women (843,000) than older men (379,000) report that they receive (SSI) government assistance. (Please note that the source of these data is the Current Population Survey, which excludes people living in nursing homes or other group quarters, many of whom also receive SSI.)

Policy Directions

It is clear that more could be done to help the country's vulnerable populations avoid the risk of poverty in old

age. Gender and racial and ethnic disparities across the country remain stark, and single older women, especially women of color, remain the most financially insecure.² As the number of seniors rises around the country with the aging of the baby boom generation and with the growing share of the older population that is from minority groups, these issues need to be addressed on a much larger scale.³ In the future, Hispanics in particular are expected to make up a larger proportion of the older population. Policy efforts should be targeted to serve both the current older population and future older generations. These efforts include, among approaches that would help both current and future elders, increasing Social Security benefits for those with lifetime low earnings (higher minimum benefits or caregiving credits) and increasing asset disregards under SSI so that more older women and men can qualify. Future retirees can also be aided by expanding the coverage and financial security of private employer pensions and developing greater incentives for asset building from earlier in life, especially for lower earners. The sooner these issues are adequately addressed, the more people in coming decades will truly be able to enjoy their retirement years.

Figure 4. Average Income Amounts by Source for Older Women and Men (Aged 65 and Older)



Source: IWPR calculations based on the Census Bureau's Current Population Survey, Annual Social and Economic Supplement, 2002-2005. **Notes:** Benefits, income, and earnings data are for calendar years 2001-2004 in 2004 constant dollars. Percentages are calculated based on average annual incomes for each source including zero values. Average amounts for each source are in parentheses. Average (or mean) amounts are typically higher than median amounts (the amount received by the person in the middle of the income distribution, which are shown elsewhere) because those at the high end of the income distribution often have very high incomes that raise the mean above the median.

Endnotes

¹ Average income amounts from assets shown in Figure 4 are substantially higher than the median amounts shown in Table 2, because asset income is especially unequally distributed. Many people have a small amount of assets but a few have enormous assets, bringing up the average. As measured by median asset income, the typical woman has less than the typical man (\$973 versus \$1,183), whereas measured by the average share of income, the average woman has a larger share of income from assets that the average man (16 percent versus 13 percent). Given men's larger total income, however, even this larger share for women is a smaller dollar amount than men's (\$2,683 for women versus \$3,894 for men).

² For individual fact sheets for California, Florida, Georgia, Illinois, Michigan, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Texas, and Virginia, see www.iwpr.org.

³ While racial and ethnic minorities currently account for less than 20 percent of the older population, their share of the older population is projected to increase to 24 percent by 2020 and nearly 40 percent by 2050 (US Census Bureau, 2004, "US Interim Projections by Age, Sex, Race, and Hispanic Origin" at http://www.census.gov/ipc/www/usinterimproj/)

This fact sheet is based on research conducted by Sunhwa Lee and was written by Tori Finkle, Heidi Hartmann, and Sunhwa Lee. IWPR is grateful to the AARP, the Ford Foundation, and the Russell Sage Foundation for supporting both the production and dissemination of this research.

For more information on IWPR reports or membership, please call (202) 785-5100, email iwpr@iwpr.org, or visit www.iwpr.org.

The Institute for Women's Policy Research (IWPR) conducts rigorous research and disseminates its findings to address the needs of women, promote public dialogue, and strengthen families, communities, and societies. The Institute works with policymakers, scholars, and public interest groups to design, execute, and disseminate research that illuminates economic and social policy issues affecting women and their families, and to build a network of individuals and organizations that conduct and use women-oriented policy research. IWPR's work is supported by foundation grants, government grants and contracts, donations from individuals, and contributions from organizations and corporations. IWPR is a 501 (c) (3) tax-exempt organization that also works in affiliation with the women's studies and public policy programs at The George Washington University.

Publications

PUBLICATION ORDER FORM

0	The Best and Worst State Economies for Women By Heidi Hartmann, Olga Sorokina, and Erica Williams R334 Briefing Paper. 27 pages	@ \$10.00, Quantity:					
0	The Economic Security of Older Women and Men D467-D478 Fact Sheets. 4 pages each CA, FL, GA, IL, MI, NJ, NY, NC, OH, PA, TX, VA	Free of charge, Indicate state:					
0	Who Are Social Security Beneficiaries? By Sunhwa Lee D461 Briefing Paper. 4 pages	Free of charge:					
0	Women and Social Security: Benefit Types and Eligibility By Sunhwa Lee D463 Briefing Paper. 8 pages	Y Free of charge:					
0	Social Security: The Largest Source of Income for Both and Men in Retirement By Heidi Hartmann and Sunhwa Lee D455 Briefing Paper. 11 pages	Women @ \$8.00 Quantity:					
0	The Gender Gap in Pension Coverage: What Does the Format By Lois Shaw and Catherine Hill D447 Report. 14 pages	uture Hold? @ \$8.00, Quantity:					
0	Strengthening Social Security for Women: A Report from the Working Conference on Women and S By Heidi Hartmann and Catherine Hill D440 Report. 4 pages	Social Security @ \$7.50, Quantity:					
	Purchase IWPR publications at www.iwpr.org						

NAME					
ORGANIZATION					
ADDRESS					
CITY		STATE	ZIP		
PHONE	FAX	E	MAIL		
SUBTOTAL \$	_ PLUS SHIPPING & HANDLING	\$	= TOTAL \$		
I AM ENCLOSING A CHECK FOR: \$ (ADD 5.75% SALES TAX FOR DC RESIDENTS.)					
PLEASE CHARGE MY: OVISA OMASTERCARD NO.:					
SIGNATURE		EXP. DATE			

SHIPPING AND HANDLING RATES

TOTAL ORDER UNDER \$49.99 \$50.00-\$99.99 S&H COST \$4.50 \$7.50

Call for priority rates and bulk orders.