



Fact Sheet

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The Economic Security of Older Women and Men in Michigan

Social Security is a crucial source of income for Michigan's seniors, and especially so for women.

- More than 9 of 10 men and women aged 65 or older receive Social Security benefits (Table 2).
- For women, Social Security is the majority of their income (56 percent; Figure 3).

Fewer women than men have pension income.

- Only 1 in 3 Michigan women receives income from pensions (compared with 55 percent of men).
- For those who have pensions, the typical woman receives only half as much as the typical man (\$5,280 vs. \$10,328; Table 2). Comparing all women and men (those with and without pensions) women's pension income is only about one-third of men's (Figure 3).

The majority of Michigan's senior women live alone.

- 56 percent are not currently married; they are widowed, divorced or never married.
- 54 percent of older white women (335,500) and 75 percent of older African American women (49,100) are not married (Table 1).

Many seniors in Michigan continue to work for pay.

- 12 percent of older women (81,000) and 21 percent of older men (112,200) in Michigan work for pay (Table 2).
- Older men outearn older women nearly two to one (\$20,540 for men and \$10,500 for women annually).

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

- Older women are more than twice as likely as older men to receive Supplemental Security Income (SSI) government assistance (3.0 percent vs. 1.4 percent). There are 5,800 older African American women and 12,900 older white women receiving SSI in Michigan (Table 2).

Older African American 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.

- Almost 1 in 3 older African American women in Michigan is poor (29 percent), compared to 1 in 20 white men (5 percent), as shown in Table 1.
- Only 28 percent of African American women, compared with 68 percent of white men, have income from assets, and among those who have asset income, the typical African American woman receives less than one third the amount the typical white man receives (\$338 per year vs. \$1,120 per year; Table 2).

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

MICHIGAN

	White	African American	Hispanic	Asian American	All ¹	Total Population ²
WOMEN						
Racial composition	88.1	9.3	1.0	0.9	100.0	698,746
Percent married	45.5	25.2	n/a ³	n/a	43.8	306,051
Percent living in poverty	9.3	28.5	n/a	n/a	11.1	77,561
Median personal income ⁴	\$12,178	\$10,584	n/a	n/a	\$12,000	
(Sample size)	(970)	(195)	(23)	(14)	(1,216)	
MEN						
Racial composition	88.4	8.6	1.5	0.8	100.0	531,680
Percent married	76.4	62.5	n/a	n/a	74.7	397,165
Percent living in poverty	5.1	12.5	n/a	n/a	6.0	31,901
Median personal income	\$22,744	\$17,727	n/a	n/a	\$22,163	
(Sample size)	(694)	(123)	(24)	(9)	(862)	

UNITED STATES

	White	African American	Hispanic	Asian American	All	Total Population
WOMEN						
Racial composition	81.5	8.7	5.9	2.9	100.0	20,062,666
Percent married	44.7	26.3	39.6	48.1	42.8	8,586,821
Percent living in poverty	10.0	27.2	22.3	11.8	12.3	2,467,708
Median personal income	\$12,407	\$9,350	\$7,703	\$8,604	\$11,671	
MEN						
Racial composition	82.5	7.5	6.0	3.1	100.0	15,146,792
Percent married	75.4	59.0	70.3	78.9	73.8	11,178,333
Percent living in poverty	5.3	17.3	17.6	11.4	7.3	1,105,716
Median personal income	\$21,958	\$13,860	\$12,000	\$14,046	\$20,420	

Source: IWPR Calculations based on the Census Bureau's March Current Population Survey, 2002-2005

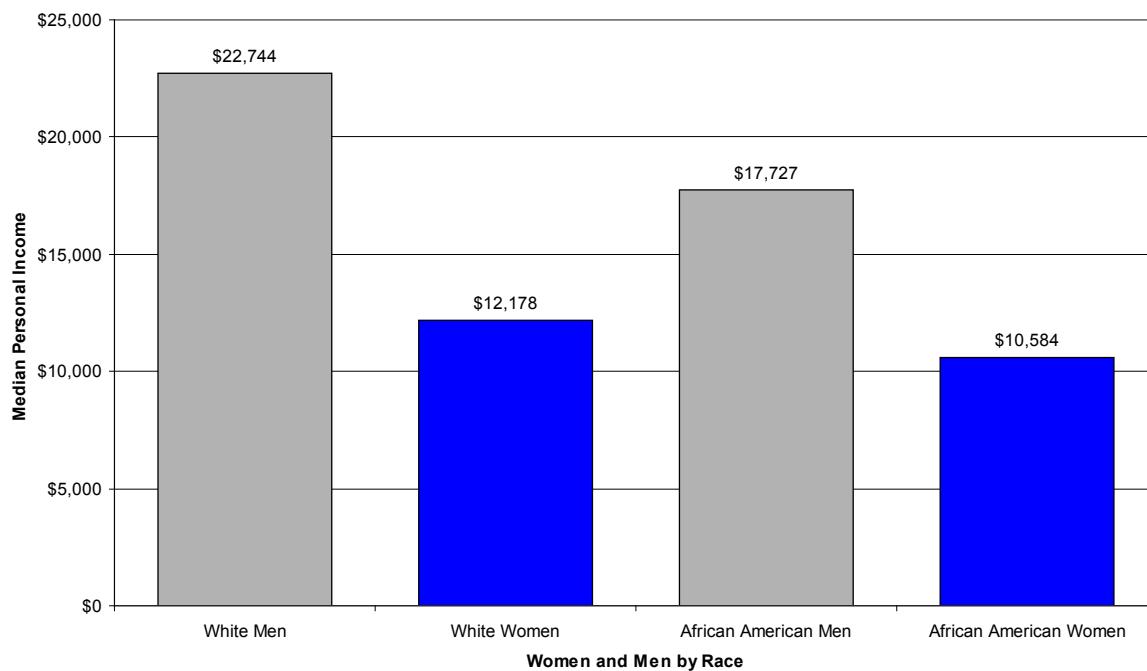
Notes: ¹Statistics for "All" include Native Americans, others, and those with two or more races. ²"Total Population" refers to population estimates for the population aged 65 and older calculated by IWPR using DataFerrett at the Census Bureau website based on the 2005 March Current Population Survey. ³N/A indicates a sample size smaller than 30. ⁴Income data are for calendar years 2001-2004 in 2004 constant dollars.

Economic Security among Older People in Michigan: Gender and Race Disparities Persist

Median personal incomes for older women and men of all demographic groups are generally higher in Michigan and their poverty rates are generally lower (except for African American women) than in the nation as a whole. Gender and racial differences are large, however, in both Michigan and the nation (see Table 1). Median personal income

for older women amounts to little more than half of median personal income for older men, and older women are significantly more likely to live in poverty than their male counterparts (Table 1 and Figures 1 and 2). Additionally, as is true nationwide, the majority of older women in Michigan are unmarried, including those who are widowed, divorced or never married (Table 1). Given that older women have significantly smaller personal incomes than older men on average, and that older people generally have lower in-

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



Source: IWPR calculations based on the Census Bureau's March Current Population Survey, 2002-2005.

Note: Income data are for calendar years 2001-2004 in 2004 constant dollars.

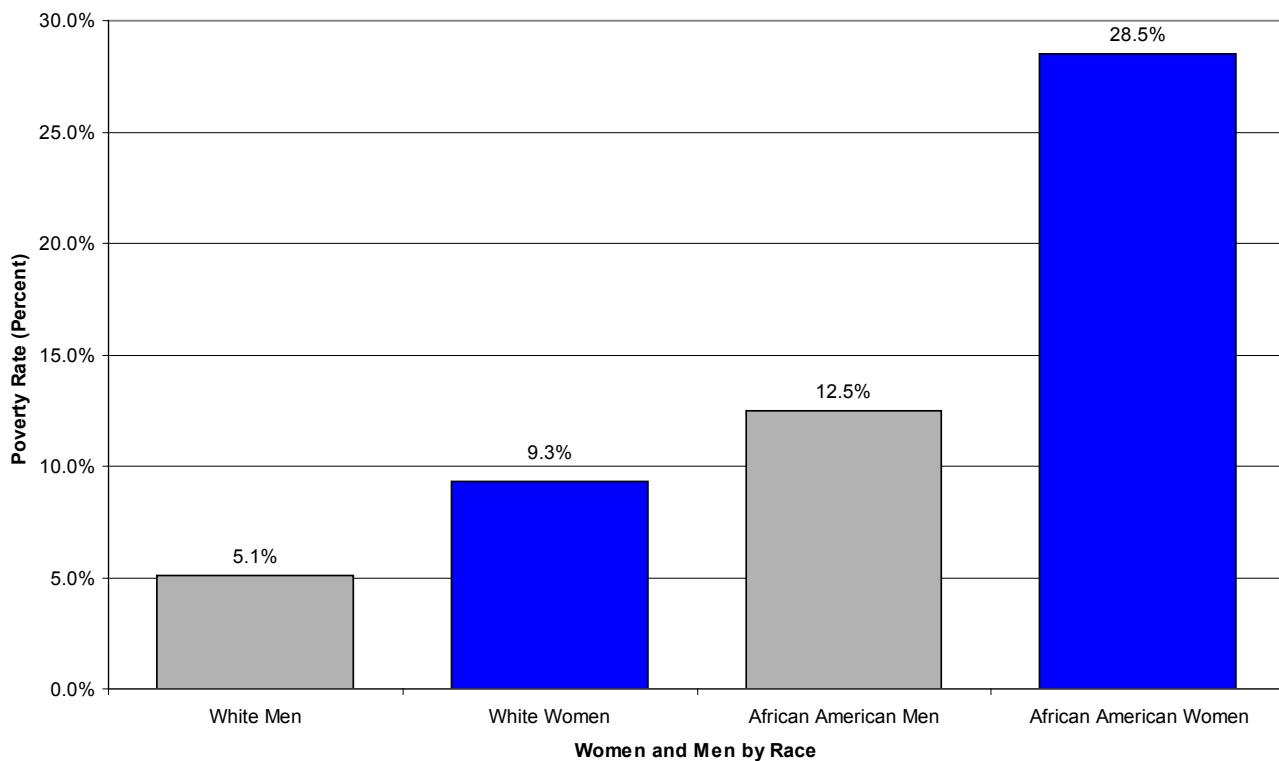
comes than prime age adults, this large population of more than 393,000 older single women is less financially secure than other demographic groups, such as married couples or single men at younger and older ages.

Older African American women in Michigan are especially likely to be poor, with nearly 1 in 3 African American women living in poverty (29 percent). Their poverty rate is more than five times the poverty rate of white men and more than double that of African American men. As in the nation, significant racial disparities persist in Michigan along side of gender disparities. The gender gap, observable among whites and African Americans, is even larger among African Americans in Michigan: while older African American men in Michigan are somewhat better off, as measured by their personal income and poverty rate, than their national counterparts, older African American women in Michigan are more likely to be in poverty than in the United States as a whole (Table 1 and Figure 2). African American men are more than twice as likely as their white counterparts to live in poverty and African American women are more than three times as likely as white women to be poor (Figure 2). Among the older population, African American women remain the most financially vulnerable demographic group, with the highest poverty rate, the lowest median personal income, and the lowest likelihood of being married (Table 1).

Examining the sources of retirement income for older men and women provides some insight into the financial outcomes of different demographic groups (Table 2). Social Security is the most common source of retirement income for both women and men and among both whites and African Americans. Social Security provides income for more than one million people, more than 90 percent of the total older population in the state (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. Among older whites, the typical woman receives almost twice as much from Social Security as the typical woman with a pension gets from her (or her husband's) pension. African American women have relatively high pension income (\$6,300 annually for African American women compared with \$5,000 for white women, for example). This outcome most likely reflects African American women's historically higher rates of labor force participation over their lifetime and their higher rates of employment in union jobs, both in the public sector and in the automobile industry.

A surprisingly high number of older Americans have income from assets, including income from rent, interest on savings, and dividends from stocks and bonds (about two thirds of whites and one third of African Americans),

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



Source: IWPR calculations based on the Census Bureau's March Current Population Survey, 2002-2005.

though for most the amount of income is small (approximately \$1,000 per year or less at the median). In fact, of all the key income sources, the largest racial gap is shown in income from assets (interest, dividends, and rent): African American women and men are only half as likely as their white counterparts to receive income from assets.

Figure 3 displays the average share from each income source for all women and all men (this figure includes 0 values for those who have no income from a particular source). Social Security benefits clearly dominate pension income for both 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 personal income (55.6 percent compared with 38.6 percent for men), women receive consistently less than their male counterparts from Social Security, as well as from pensions, assets, and earnings (Table 2 and Figure 3). In light of these figures, there should be little surprise that older women are twice as likely as 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). There are 5,800 older African American women and 12,900 older white women receiving SSI in Michigan.

While older Michigan residents perhaps retain a slight economic edge over their national counterparts, it is clear that more could be done to help the state's vulnerable populations avoid the risk of poverty in old age. Gender and racial disparities in the state remain stark, and single older women, especially women of color, remain the most financially insecure. As the number of seniors rises in Michigan and around the country with the aging of the baby boom population, these issues need to be addressed on a much larger scale. 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, protecting Social Security as an insurance program, 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 will be aided by expanding the coverage and financial security of private employer pensions and 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.

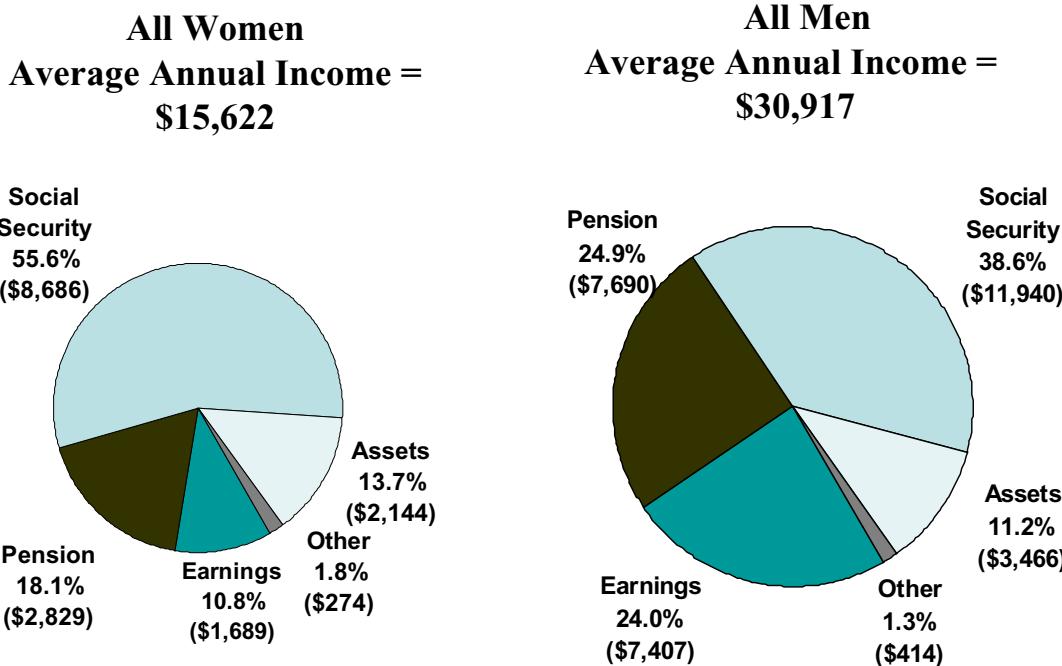
Table 2. MICHIGAN: Overview of Retirement Income Security by Race (Aged 65 and older)

WOMEN			
	White	African American	All¹
Total Population ²	615,550	65,665	698,746
Social Security			
Percent receiving	94.4	83.4	92.6
Median annual benefit received ^{3,4}	\$9,104	\$8,100	\$8,744
Pension			
Percent receiving	33.2	32.2	32.8
Median annual pension received	\$5,000	\$6,300	\$5,280
Assets			
Percent receiving	62.3	28.2	58.4
Median annual income received	\$874	\$338	\$863
Earnings			
Percent employed	11.3	14.1	11.6
Median annual earnings received	\$9,283	n/a ⁵	\$10,500
SSI			
Percent receiving	2.1	8.8	3.0
Median annual benefit received	n/a	n/a	n/a
MEN			
	White	African American	All
Total Population	466,285	47,001	531,680
Social Security			
Percent receiving	92.7	85.2	91.7
Median annual benefit received	\$13,280	\$11,390	\$13,135
Pension			
Percent receiving	56.1	49.6	55.3
Median annual income received	\$10,563	\$8,963	\$10,328
Assets			
Percent receiving	67.6	33.9	63.8
Median annual income received	\$1,120	\$1,043	\$1,079
Earnings			
Percent employed	21.0	21.2	21.1
Median annual earnings received	\$21,000	n/a	\$20,540
SSI			
Percent receiving	0.8	3.2	1.4
Median annual benefit received	n/a	n/a	n/a

Source: IWPR Calculations based on the Census Bureau's March Current Population Survey, 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 March Current Population Survey. 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. ⁵N/A indicates a sample size smaller than 30.

Figure 3. Michigan: Sources of Income for Women and Men Aged 65+



Source: IWPR calculations based on the March Current Population Survey, 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

¹The older population in Michigan consists mainly of whites and African Americans, with relatively few of Hispanic or Asian American origin. Hence, small sample sizes unfortunately did not allow analysis for these two groups.

²Despite the fact that the median personal income of older African American women is higher in Michigan than nationally, their poverty rate is also higher than the national figure. Poverty rates are calculated based on total family income rather than personal income. Differences in family composition, the income of other family members, or the distribution of income among African American women themselves may all differ between the state and the nation and any or all of these factors can contribute to the differences observed in the poverty rates.

³Average income amounts from assets shown in Figure 3 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 (\$863 vs \$1,079), whereas measured by the average share of income, the average woman has more than the average man (13.7 percent versus 11.2 percent). Given men's larger total income, however, even this larger share for women is a smaller dollar amount than men's (\$2,144 for women vs. \$3,466 for men).

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