

Beyond 50: A View of Economic Security in the States

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The Public Policy Institute, formed in 1985, is part of Policy and Strategy at AARP. One of the missions of the Institute is to foster research and analysis on public policy issues of importance to older Americans. This paper represents part of that effort.

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Foreword

In 2001, AARP published *Beyond 50: A Report to the Nation on Economic Security*, the first of a series of annual reports planned on the status of Americans aged 50 and older. That report discussed four pillars of retirement income security: Social Security, pensions and savings, earnings from work, and health insurance, using data on national averages for different income, age, and demographic subgroups of the population aged 50 and older. For most of the measures of well-being included in that report, there are important differences among the states. The current report *Beyond 50: A View of Economic Security in the States* supplements the earlier report by providing detailed statistics for the population aged 50 and older for each of the 50 states, as well as the District of Columbia.

Using a pooled sample of Current Population Survey respondents in order to achieve an adequate sample size in each of the states, this report examines most of the elements of economic security that were addressed in *Beyond 50*, with the exception of net worth and savings measures, for which state level data were not available. Where possible, the report also focuses on the same three age subgroups used in the earlier report: those age 50-61 (referred to as “pre-retirees”), those age 62-74 (“younger retirees”) and those age 75 and older (“older retirees”). In some comparisons, the same income subgroups used in the earlier report were also used here. In the interest of further expanding the analysis of important subgroups of the population, there is extensive analysis of differences between men and women in the current report.

Because the proportion of the older population will rise dramatically in the coming decades, it is important to have good statistical information about this population. This report provides for the first time detailed statistical information about this population at the state level.

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Executive Summary

Background

In 2001, AARP released the report *Beyond 50: A Report to the Nation on Economic Security*, the first in a series of annual reports AARP will release concerning the well-being of the population aged 50 and older. The initial report described four pillars of retirement income security: Social Security, pensions and savings, earnings from work, and health insurance. Subsequent reports will focus on other aspects of well-being, before returning in later years to update progress in each area.

Purpose of the Report

The current report supplements *Beyond 50* by providing detailed statistics for the population aged 50 and older for each of the 50 states, as well as the District of Columbia.

Methodology

The study uses March Current Population Survey (CPS) data for the years 1999, 2000 and 2001. March supplement weights are used for all the statistics in the study. While most of the analyses are based on data for the combined years, the analysis of age distribution is based only on the 2001 data. Analyses of health insurance coverage use the 2000-2001 data due to the incomparability of the 1999 data on health insurance. The March CPS data for a given year contains demographic information for that year but the information on income, earnings, and health insurance refers to the previous year. The CPS does not interview institutionalized adults. Consequently, elderly in nursing homes are not included in the study.

Empirical Results

The report begins with a description of key demographic profiles of women and men aged, 50 and older, including the age distribution of the 50+ population, racial and ethnic composition, educational attainment, marital status, household type, median family income, and poverty rate. It is followed by discussions on four major aspects of economic status: current work status and work status the previous year, receipt of Social Security benefits, receipt of pension benefits, and health insurance coverage.

More women than men belong to this population, yielding a female-to-male ratio of 1.19. States with the highest proportions of older women in their populations include some states with warm climates, for example, Florida, Hawaii, and South Carolina, as well as some Northern states, such as Rhode Island and Maine.

The racial/ethnic composition varies widely across states. In small northeastern states (Vermont, Maine, New Hampshire), some Midwestern states (Iowa, Minnesota, North and South Dakota, Nebraska) and western states (Wyoming, Idaho, Montana, Oregon) less than 6 percent of the 50+ population consists of minorities. By contrast, more than 70 percent of the older population in the District of Columbia and Hawaii are made up of minorities—African

Americans in the District of Columbia and Asians and Pacific Islanders in Hawaii. New Mexico, California, and Texas all have more than one-third of their older population comprised of minorities.

Median family income for the older population is highest in Alaska for both men (\$66,328) and women (\$50,035). For women, it is followed by Hawaii, Maryland and Utah. For men it is followed by Maryland, Connecticut and New Jersey. Arkansas, on the other hand has the lowest level of family income for both men (\$32,212) and women (\$23,689).

Conclusion

In 2000, an estimated 76.9 million people aged 50 and older lived in United States, accounting for 27 percent of the population. The oldest members of the baby boom generation are in their 50s and preparing for retirement. As the baby boomers continue to age, the number and the proportion of the older population will rise dramatically. For this reason, it is important to have good statistical information about this population. This report provides for the first time detailed statistical information about individuals aged 50 and older at the state level.

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Introduction

In 2000, there were an estimated 76.9 million people aged 50 and older in the United States, accounting for 27 percent of the total population.¹ Just over fifty years ago, the baby boom was getting under way. Now, the oldest members of the baby-boom generation are in their 50s preparing for retirement. As the baby boomers continue to age, both the sheer number and the proportion of the older population will rise dramatically.

In view of the profound demographic change that will occur in the American population, this report examines the economic status of men and women aged 50 and older at the national and state levels. Specifically, it focuses on four key aspects of economic security at old ages:

- Labor force participation and earnings;
- Social Security;
- Pensions and other retirement income; and
- Health insurance.

The population aged 50 and older consists of diverse groups of people whose current economic status, as well as past work experience, vary by age, sex, race, ethnicity, and economic wealth. The report presents its findings separately for these subgroups whenever possible. In particular, women and men not only have differing labor market experience, but women's higher life expectancy also has important implications for women's and men's economic security at old ages. Hence, analyses in this report pay special attention to potential gender differences. Throughout the report, the population aged 50 and older is divided into three age subgroups, following an AARP approach.² Men and women at ages 50 to 61 are referred to as "pre-retirees," those at ages 62 to 74 as "younger retirees," and those at age 75 and older as "older retirees."

Data for analyses come from the 1999-2001 March Current Population Survey (CPS). While most of the analyses reported are based on the combined years of the 1999-2001 CPS data, the analysis of age distribution is based only on the 2001 data. Analyses of health insurance coverage use the 2000-2001 data, due to the incomparability of the 1999 data on health insurance. Please note that the March CPS for a given year contains demographic information for that year, but the information on income, earnings, and health insurance refers to the previous year.³

The report begins with a description of key demographic profiles of women and men aged 50 and older, including the age distribution of the 50+ population, racial and ethnic composition, educational attainment, marital status, household type, median family income, and poverty rate. It is followed by discussions on four major aspects of economic status: current work status and work status in the previous year, Social Security, pensions, and health insurance coverage.

¹ Census 2000 Summary File 1 ("Age Groups and Sex 2000") available at the U.S. Census Bureau website: <http://facfinder.census.gov/home/en/sf1.html>

² AARP, 2001. *Beyond Fifty: A Report to the Nation on Economic Security*. Washington, DC: AARP.

³ Income and earnings data for calendar years 1998 and 1999 are converted to 2000 dollars using the Consumer Price Index.

Demographic Characteristics

Age Distribution

According to the March 2001 Current Population Survey (CPS), people aged 50 and older comprise 1 in every 4 Americans. More women than men belong to this older population (29 percent of women versus 25 percent of men), yielding a female-to-male ratio of 1.19. Within the 50+ population, the age distribution for women also is older than for men. For example, those aged 50-61 (“pre-retirees”) account for 46 percent of women and 50 percent of men, whereas those aged 75 and over (“older retirees”) make up nearly 23 percent of women compared with 18 percent of men. People aged 62-74 (“younger retirees”) constitute about one-third of women and men. This gender difference in the age distribution leads to steady increases with age in the female-to-male ratio, from 1.08 for pre-retirees, to 1.18 for younger retirees, and to 1.52 for older retirees.

The most populous states--California, Florida, New York, Texas, and Pennsylvania-- tend to have large numbers of the elderly population. Yet, except for Florida, these are not necessarily the states with the highest proportions of the population aged 50 and older. Women aged 50 and older make up more than one in every three female residents in Rhode Island, Connecticut, West Virginia, Maine, South Carolina, Kansas, Maryland, Hawaii, Indiana, Oklahoma, and Florida, although the proportions of specific age groups (pre-retirees versus other retirees) vary among these states (see Summary Tables 1-3). Maine, for instance, has the second highest percentage of women aged 50-61 (after Alaska), whereas Rhode Island has a relatively high percentage of women aged 62-74, and Connecticut has the highest percentage of women aged 75 and older. The states with high proportions of older women also have relatively high proportions of men aged 50 and older, although men’s proportion tends to be lower than women’s. Indiana has the highest percentage of men aged 50 and older with 33 percent, followed by Rhode Island, Kansas, West Virginia, Maine, South Carolina, and Connecticut.

Racial and Ethnic Composition

Approximately 80 percent of women and men in the 50+ population are non-Hispanic whites. Non-Hispanic African Americans make up 10 percent of women and 9 percent of men; Hispanics (of any race) constitute 7 percent and Asian Americans 3 percent of both women and men aged 50 and older.

This racial and ethnic composition, however, varies widely across states. Small northeastern states (e.g., Vermont, Maine, New Hampshire), some Midwestern states (e.g., Iowa, Minnesota, North and South Dakota, Wisconsin, Nebraska), and western states (e.g., Wyoming, Idaho, Montana, Oregon) have less than 6 percent of their 50+ population consisting of minorities (see Summary Table 4). By contrast, more than 70 percent of the older population in the District of Columbia and Hawaii are made up of minorities (mainly African Americans for the former and Asian/Pacific Islanders for the latter). New Mexico, California, and Texas also have more than one-third of their older population comprised of minority women and men (New Mexico -- 42 percent, California -- 35 percent, and Texas -- 34 percent).

Educational Attainment

More than three-quarters of women and men aged 50 and older have completed high school. The proportion of those who received bachelor's degrees or more is higher among men (27 percent of men versus 17 percent of women), whereas the proportion of those with only high school diplomas is higher among women (38 percent of women versus 30 percent of men). The percentages of women and men who received some college education or attended two-year institutions are similar (about 22 percent).

Due to increases in educational opportunities over time, the level of educational attainment varies by age for both women and men aged 50 and older. Among older retirees, nearly 36 percent of women and 35 percent of men have less than a high school education. This percentage decreases to 25 percent of women and 26 percent of men among younger retirees and to only 14 percent of women and men among pre-retirees (Table 1). On the other hand, the percentages of women and men who received a bachelor's degree or more increase for the younger groups. But the gender difference in the receipt of a bachelor's degree or more remains among pre-retirees (24 percent of women versus 32 percent of men) as well as among older retirees (10 percent of women versus 19 percent of men).

Table 1. Percent Distribution of Educational Attainment by Age Group and Gender of the U.S. Population Aged 50 and Older, 1999-2001

	Women			Men		
	Pre-retirees (age 50-61) (%)	Younger retirees (age 62-74) (%)	Older retirees (age 75+) (%)	Pre-retirees (age 50-61) (%)	Younger retirees (age 62-74) (%)	Older retirees (age 75+) (%)
Less than high school	14.3	25.4	36.1	14.0	26.4	35.1
High school	36.8	41.3	36.7	29.7	30.9	29.8
Some college	25.4	19.3	17.4	24.8	19.3	16.4
College or more	23.5	13.9	9.8	31.6	23.5	18.8

Source: The March Current Population Survey, 1999-2001.

The District of Columbia, Alaska, Maryland, Vermont, Colorado, and Connecticut rank at the top for the proportion of women aged 50+ with a college degree or more (all more than 23 percent; see Summary Table 5). For men, Colorado, the District of Columbia, Maryland, Utah, New Hampshire, and New Jersey rank at the top (all more than 34 percent). West Virginia has the lowest proportion of both women and men with a college degree or more (10 percent of women and 17 percent of men), followed by Arkansas and Tennessee.

Marital Status and Living Arrangements

The fact that females aged 50 and older outnumber males due to higher life expectancy leads to gender differences in marital status and living arrangements. According to the 1999-2001 March CPS, three quarters of men aged 50+ are married, compared with slightly more than half of women. Females are more than three times as likely as males to be widowed (26 percent of women versus 7 percent of men). The rest are divorced, separated, or never married. Among the states, the District of Columbia has the lowest rate of marriage among people aged 50+, for both women (35 percent) and men (50 percent) (see Summary Table 6). Among women, states such as Iowa, Idaho, Montana, Utah, and Wisconsin show high proportions of the married (63 percent or more, compared to the average of 55 percent). The variation is relatively smaller among men; Tennessee, Kansas, and Iowa have relatively high rates of marriage (more than 80 percent, compared to the average of 76 percent).

As a consequence of differences in marital status, men aged 50+ are more likely than women to live in married couple households—either married couples alone (50 percent of men versus 40 percent of women) or with additional related/unrelated persons (26 percent of men versus 16 percent of women). By contrast, women aged 50+ are more than twice as likely as men to live alone (27 percent of women versus 13 percent of men) or to live with family members other than their spouse (15 percent of women versus 7 percent of men). With its low rate of marriage, the District of Columbia has the highest rate of unmarried people living alone, for both women (37 percent) and men (29 percent). Vermont and Rhode Island also have a relatively high rate of unmarried older women living alone (more than 35 percent, compared with the national average of 27 percent).

Median Family Income

The U.S. population aged 50 and older encompasses diverse groups of men and women whose labor market behavior and economic status vary by sex, age, race and ethnicity, marital status, and educational attainment. Median family income, for instance, varies substantially by these characteristics. According to the 1999-2001 March CPS data, women aged 50+ had more than \$11,000 less in annual family income than men (\$33,492 for women and \$44,649 for men) for calendar years 1998-2000. Family income also varied considerably by age group. The median family income among male pre-retirees was \$61,361, whereas it was \$36,968 among younger retirees and only \$26,421 among older retirees. A similar pattern was found among women by age, but women's median family incomes were lower than men's for all age groups: \$50,500 among pre-retirees, \$28,954 among younger retirees, and \$19,085 among older retirees. Some of these differences by age group can be attributed to large numbers of pre-retirees who were still in the labor force: for example, two-thirds of women and four-fifths of men in the pre-retiree group were in the labor force, whereas less than one-third of women and men in the younger retiree group worked (see section on Current Work Status for details).

Marital status is another important factor underlying differences in family income. Married women and men aged 50+ have family incomes that are more than twice as high as their unmarried counterparts. The difference by marital status is especially large among pre-retirees, while it becomes somewhat smaller for older age groups (see Table 2). When married and unmarried people are considered separately, income differences by age also are apparent for

both groups, although the difference is considerably smaller for the unmarried than for the married. The gender difference is also persistent among both married and unmarried people, and across all ages.⁴ Therefore, as women age they tend to face more difficult economic situations than men, especially as more women than men lose their spouses over time.

Table 2. Marital Status and Median Annual Family Income by Age Group and Gender of the U.S. Population Aged 50 and Older, 1999-2001

Age Group	Women		Men	
	Married	Unmarried	Married	Unmarried
Pre-retirees (age 50-61)	\$64,820	\$29,120	\$70,555	\$32,000
Younger retirees (age 62-74)	\$36,738	\$18,908	\$41,004	\$22,551
Older retirees (age 75+)	\$27,669	\$15,421	\$28,943	\$20,424

Source: The March Current Population Survey, 1999-2001.

Note: Median family incomes are for calendar years 1998-2000. The income figures of 1998 and 1999 are converted to 2000 dollars using the Consumer Price Index.

Race and ethnicity also underlie income differences among the 50+ population. Non-Hispanic whites have higher family incomes than minority groups (African Americans, Asian Americans, Hispanics, and Native Americans all combined). This racial and ethnic gap is greater for men than for women. For example, the median family income of non-Hispanic white men is 35 percent higher than that of minority men (\$47,114 versus \$35,000), while it is 27 percent higher for non-Hispanic white women than for minority women (\$35,083 versus \$27,672). Similar to the general pattern, family income decreases with age for both non-Hispanic whites and minority groups (table not shown).

Median family income is the highest in Alaska for both women (\$50,035) and men (\$66,328) (see Summary Table 7). For women, it is followed by Hawaii (\$45,000), Maryland (\$42,735), and Utah (\$41,112). For men, it is followed by Maryland, Connecticut, New Jersey, and Hawaii, all of which have median family incomes over \$55,000. Arkansas, on the other hand, shows the lowest level of family income for both women (\$23,689) and men (\$32,212). Other states with low levels of family income for women include Mississippi, Louisiana, West Virginia, North Dakota, and Rhode Island (all under \$27,000). For men, they include West Virginia, North Dakota, New Mexico, Mississippi, Montana, and South Dakota (all under \$37,000).⁵ The differences in income to some extent reflect differences in living costs.

⁴ The differences between family incomes of married women and married men occur because women tend to be married to older men, who are more likely to be retired and not employed, thus contributing to lower family incomes. For example, if the wife is 60 and the husband is 63, the income of the couple will be counted in the pre-retiree group for the woman and in the younger retiree group for the man.

⁵ These figures are not adjusted for cost-of-living differences among states. High income states generally tend to be higher cost states, while low income states tend to be lower cost states. Still, since these income differences among states are so large, they reflect real differences in income that are unlikely to be completely offset by cost-of-living differences.

Poverty Rate

The poverty rate is higher among older women than among older men—10.8 percent versus 7.1 percent. The poverty rate also is higher for older age groups, but the difference is greater among women than among men. Among men, 6.9 percent of pre-retirees and 7.4 percent of older retirees live under poverty, whereas among women the rates are 9.1 percent and 14.2 percent, respectively. Married people aged 50+ tend to have relatively low poverty rates—5 percent for both women and men—while the rate jumps to 18 percent for unmarried women and 15 percent for unmarried men. Minority women and men also have higher poverty rates compared with their non-Hispanic white counterparts. Therefore, older women who are unmarried and who belong to racial and ethnic minorities are more likely than others to face economic hardships, and increasingly so as they age.

For women aged 50+, Mississippi has the highest poverty rate at 19.1 percent, followed by Louisiana, Arkansas, West Virginia, and Alabama, which all have poverty rates of more than 15 percent (see Summary Table 7). Many midwestern and western states, however-- for example, Colorado, Iowa, Kansas, Wisconsin, and Alaska-- have relatively low poverty rates among women (between 5.9 and 7 percent). For men aged 50+, the District of Columbia has the highest poverty rate (12 percent), followed by New Mexico, Louisiana, North Carolina, and Arkansas (all more than 10 percent). Hawaii has the lowest poverty rate (3.8 percent) among men.

Work Status

Current Work Status

Among the population aged 50 and older, a little more than a third of women and half of men were participating in the labor force during the reference week of the 1999-2001 March CPS. But participation rates vary more according to age. For pre-retirees, 67 percent of women and 81 percent of men were in the labor force, while the rate drops sharply for older groups, to 21 percent of women and 31 percent of men among younger retirees, and to 4 percent of women and 8 percent of men among older retirees. At each age, women's participation rate is consistently lower than men's, but the difference narrows for older groups as the participation rate falls for both sexes.

The participation rate also varies by family income level. In the top income quartile, the majority—62 percent of women and 76 percent of men—participate in the labor force, whereas less than half in the middle and less than one-fifth in the bottom quartile are in the labor force. The relationship between family income and labor force participation is not surprising because, on average, earnings and other sources of income that are available to those who are working are considerably larger than pensions.

Of those in the labor force, a majority of older women and men work full time. But men are more likely than women to work full time (85 percent of men versus 73 percent of women), while women are twice as likely as men to work part time (25 percent of women versus 12

percent of men). As expected, full-time work is prevalent among pre-retirees, while part-time work is more common among older groups (Table 3). For example, among pre-retirees, more than 90 percent of men and 79 percent of women are employed full time. Among younger retirees, 47 percent of women and 33 percent of men work part time, while among older retirees almost 62 percent of women and 50 percent of men do so.

The prevalent pattern of sex segregation in employment, which is evident among men’s and women’s occupations and industries in the population as a whole (Institute for Women’s Policy Research 2000),⁶ also can be seen among older workers. Most notably, women are nearly twice as likely as men to be working in service industries, while men are more than twice as likely as women to be working in manufacturing, transportation, communication, and public utilities. In terms of occupation, the shares of women and men who work in managerial and professional specialty occupations are similar (34 percent of women and 35 percent of men). Yet, women are twice as likely as men to be working in technical, sales, and administrative support occupations (39 percent of women versus 19 percent of men), whereas men are three times as likely as women to work in blue-collar occupations (33 percent of men versus 10 percent of women).

Table 3. Percent Distribution of Current Work Status by Age Group and Gender of the U.S. Population Aged 50 and Older, 1999-2001

Current Work Status	Pre-retirees (%)		Younger retirees (%)		Older retirees (%)	
	Women	Men	Women	Men	Women	Men
Employed full time	78.9	91.6	49.7	63.4	34.8	48.6
Employed part time	18.6	5.5	47.4	33.2	61.8	49.1
Looking for work	2.5	2.9	3.0	3.4	3.4	2.3

Source: The March Current Population Survey, 1999-2001.

Alaska ranks at the top for both women’s and men’s labor force participation rates (53 percent of women and 67 percent of men; see Summary Table 8). This is mainly due to a relatively young population in Alaska, where nearly two-thirds of those aged 50 and older consist of pre-retirees (aged 50-61). For women, Minnesota has the next highest rate of participation (47 percent), while for men Vermont ranks second (62 percent). West Virginia and Arkansas, on the other hand, have the lowest rates of labor force participation for both women and men aged 50+.

Work Status in the Previous Year

Compared to current work status, which is based on labor force participation during the reference week prior to the survey, work status in the previous year provides a more clear sense of the extent of employment throughout the year. As in the case of current work status, the

⁶ Institute for Women’s Policy Research, 2000. *The Status of Women in the States*. Washington, DC: Institute for Women’s Policy Research.

proportion of the 50+ population who did not work at all in the previous year is higher for women than for men (60 percent of women versus 44 percent of men). Men were more likely than women to work full time, year-round (41 percent of men versus 24 percent of women), while women were slightly more likely than men to work part time, year-round (6 percent of women versus 4 percent of men). Similar percentages of women and men in this older population worked only part of the year—10 percent each—either on a full-time or part-time basis.

Women's continuing economic disadvantages at older ages can be illustrated in the earnings of those who worked full time, year-round in the previous year. Despite approximately the same amount of work hours, women earned only 65 percent of what men earned. Median annual earnings among full-time, year-round women workers were \$28,000, compared with \$43,000 among their male counterparts. There also are earnings differences by race and ethnicity, which are greater among men than women, although the gender gap remains for each racial and ethnic group. The women's ratio in earnings (all minorities compared to non-Hispanic whites) among full-time, year-round workers is 0.84, compared with the men's ratio of 0.68. This mirrors a pattern found in the general working population where earnings differences by race tend to be greater among men than among women.

For women aged 50+, Alaska—similarly to the case of current work status—had the highest rate of full-time, year-round employment in the previous year (36 percent), followed by the District of Columbia (30 percent) and Georgia (29 percent; see Summary Table 8). For men, Nebraska had the highest rate (49.3 percent), followed by Alaska (48.6 percent) and Vermont (46.9 percent). West Virginia and Arkansas, on the other hand, again had the lowest rate of full-time, year-round employment among both women and men aged 50+ (17 and 18 percent for women and 31 and 32 percent for men).

Social Security Receipt

In the population aged 50 and older, approximately 50 percent of women and 44 percent of men received some type of Social Security benefits for calendar years 1998-2000. The receipt of Social Security benefits increases sharply at age 62, when individuals first become eligible to receive retirement benefits, and at age 65, when full benefits are available. Only 7 percent of pre-retirees (aged 50-61) received some type of Social Security benefits (either as dependents or disabled workers), while more than 75 percent of younger retirees (aged 62-74) and more than 90 percent of older retirees (aged 75 and over) received Social Security benefits. Among those aged 62-64 to whom early retirement benefits became available, about half—53 percent of women and 47 percent of men—received the benefits in the period of 1998-2000.

Women were slightly more likely than men to receive Social Security benefits at all ages above 50. The lack of a sizable gender gap in Social Security receipt reflects the fact that older women (and men) without extensive work experience can receive dependent or survivor benefits based on the work records of their husbands or wives (or former husbands or wives in some cases). Despite a similar or even higher rate of Social Security receipt, however, the median annual benefits received by women (\$7,532) were substantially lower than those

received by men (\$10,930). That is, women's average annual benefit was only about two-thirds of men's benefit. This gender gap is somewhat greater among younger retirees compared with older retirees. In the oldest age group (aged 75 and above), many women are widows who receive survivor benefits equal to the amount received by their deceased husbands. For younger retirees (aged 62-74), women are more likely to be receiving benefits as dependent wives (only half as large as their husbands' benefits) or on their own records, which are likely to be based on lower earnings and fewer years of employment than men of the same age. This gender gap in Social Security benefits is likely to continue, given the fact that women's median annual earnings among full-time, year-round workers in the pre-retiree group were only 65 percent of men's earnings, and fewer women than men worked full time, year round.

The receipt of Social Security benefits also varies by family income. Fewer than one-quarter of women and men in the top quartile of family income received Social Security benefits, compared with almost two-thirds of those in the bottom quartile. This large difference by family income occurs partly because many of the women and men in the top income quartile belonged to the pre-retiree group (aged 50-61), the majority of whom were still in the labor force and had higher incomes than the older groups, while not yet receiving Social Security retirement benefits. Still, even among pre-retirees or younger retirees, those with higher family incomes were somewhat less likely to receive Social Security benefits (table not shown). This difference again reflects the fact that those who were still employed were ineligible for Social Security benefits. Of those receiving Social Security, men's annual benefits were, as expected, associated positively with their income levels. Those at the top quartile of family income were likely to receive a greater amount of Social Security benefits than those at the middle or at the bottom income quartile. By contrast, there is little variation in women's median annual benefits according to their family income levels, while their benefits are again substantially lower than men's at all income levels. The lack of a difference in benefits across income levels probably reflects that women's benefits are more closely related to marital status, in contrast to men's benefits that are more closely tied to their own past earnings.

Race and ethnicity also matter in the receipt and amount of Social Security benefits. Compared with non-Hispanic whites, minorities were less likely to receive Social Security. For women, 41 percent of minorities versus 52 percent of non-Hispanic whites received benefits, while for men, 38 percent of minorities versus 46 percent of non-Hispanic whites received benefits. There also is a racial and ethnic gap in the median annual benefits, along with a gender gap for each racial and ethnic group. For example, the median annual benefits among men were \$11,326 for non-Hispanic whites and \$9,043 for minorities, yielding a ratio of 0.80. This gap is somewhat smaller among women, with a ratio of 0.87. This racial and ethnic gap, similar to the case of the gender gap, reflects the wage differential by race and ethnicity in the general working population that has persisted in the U.S. labor market. The larger racial and ethnic gap among men than among women also mirrors a general pattern of the wage differential by race and ethnicity.

South Dakota, Arkansas, Rhode Island, and Mississippi have the highest percentages of women receiving Social Security benefits (all above 57 percent, compared with the average for women of 50 percent; see Summary Table 9). For men, Florida, West Virginia, Arkansas, and North

Dakota have high percentages of those receiving Social Security (all above 51 percent, compared with the average of 44 percent). For both women and men, Alaska has the lowest rate of people receiving Social Security (31 percent of women and 27 percent of men), followed by the District of Columbia (42 percent of women and 37 percent of men). The low rate in Alaska is associated with its relatively high proportion of people under age 62.

Of those receiving Social Security, benefits are highest for women in Hawaii, Connecticut, New Jersey, Rhode Island, Indiana, and Washington state (above \$8,000, compared with the average of \$7,532). For men, Michigan, Illinois, Arizona, and New Jersey rank at the top (above \$11,500, compared with the average of \$10,930).

Pension and Retirement Income

Receipt of Pension Income

In addition to Social Security, private pensions are another major source of income for the elderly. The March Current Population Survey (CPS) asks about the receipt of general retirement income (excluding Social Security), including income from company or union pension plans, government pensions, regular payments from IRA or Keogh accounts, and regular payments from annuities or paid insurance policies. For this report, veterans' pensions and survivor pensions also are included as part of general pension income.

Compared with Social Security receipt, the proportion of people aged 50+ receiving pension income is significantly smaller, and there is a substantial gender gap in the receipt of pension income. Overall, only 18 percent of women and 28 percent of men aged 50+ received some type of pension income for calendar years 1998-2000. Although the gender gap in labor market experience has been narrowing, women still have less accumulated work experience and are engaged in different types of occupations than men, which in turn leads to differences in pension coverage. Women over age 50 have work histories that diverged more from men's than their younger counterparts, particularly for the older women in this group. Since pension coverage depends in part on hours of work—full-time versus part-time status—women's higher likelihood of part-time employment, along with women's shorter job tenure, would contribute to a large gender gap in the receipt of pension income (Shaw and Hill 2001).⁷ In addition, the fact that many women were concentrated in low-paying, low-status jobs where no pension coverage was offered also is likely to result in a significant gender gap in the receipt of pensions among the elderly population.

The proportion of women and men receiving pension income varies substantially by age, but with a consistent gender gap for all age groups. In the pre-retiree group (aged 50-61), fewer than 7 percent of women and 11 percent of men received pension income. Even when considering only those who were not working in the previous year, only 11 percent of women and 26 percent of men were receiving pensions before age 62 (Table 4). In this age range, men

⁷ Shaw, Lois and Catherine Hill. 2001. "The Gender Gap in Pension Coverage: Evidence from the Survey of Income and Program Participation." Final report to the Department of Labor. Order No. B9393428, Reference No. OPS-215483.

who were not working were likely to be either disabled or discouraged workers with only a minority of early retirees, while many of the women were likely to be caring for children or elderly relatives. Nearly half of men who were not working in both younger and older retiree groups received pension income. In contrast, a little less than one-third of women among older retirees, and even fewer of those among younger retirees, were receiving income from pensions. That the oldest women are most likely to receive pensions would not be expected based on the low lifetime labor force participation of that age group, but the oldest group was more likely to include more women who were receiving survivor benefits from their deceased husbands' pensions (rather than pensions from their own employment).

Table 4. Percentage of the U.S. Population Aged 50 and Older Receiving Pensions and Other Retirement Income by Age Group and Gender, 1998-2000*

Age Group	Women (%)	Men (%)
Pre-retirees (age 50-61)	10.7	26.1
Younger retirees (age 62-74)	27.3	50.0
Older retirees (age 75+)	31.0	49.4

Source: The March Current Population Survey, 1999-2001.

*Note: Labor force participants are excluded.

The receipt of pension income also varies by family income level, but the association is not clear-cut. Women and men in the middle half of family income levels were the most likely to receive pension income, 21 percent of women and 35 percent of men. When women and men who worked in the previous year were excluded, those in the top quartile and middle half of the distribution were much more likely to have pension income than those in the bottom quartile (Table 5). In the upper three-quarters of the income distribution, the gender gap in pension receipt was large, while in the bottom quartile women's rate of pension receipt was actually slightly greater than men's.

Table 5. Percentage of the U.S. Population Aged 50 and Older Receiving Pensions and Other Retirement Income by Family Income Level, 1998-2000*

Family Income Level	Women (%)	Men (%)
Top Quartile	26.2	68.0
Middle Half	29.9	57.9
Bottom Quartile	19.2	18.0

Source: The March Current Population Survey, 1999-2001.

*Note: Labor force participants are excluded.

In addition to the gender gap in the likelihood of receiving pension income, there also is a substantial gender difference in the median annual amount among those receiving pensions. The median annual pension income received by women was only half of the amount received by men (\$6,204 for women versus \$12,408 for men). This gender gap (approximately half) is

consistent for those below age 75 (pre-retirees and younger retirees), while the gap is somewhat smaller for those over age 75 (older retirees). Median annual pension income also decreased considerably for older age groups, from \$18,691 for men in the pre-retiree group to about \$9,000 for men in the older retiree group, and for women from \$9,312 to about \$5,000, respectively. As expected, there is a clear, positive relationship between the median annual benefit and family income level. This is expected because only those who were receiving pensions are included here and the level of family income considered entails the amount of pension income received.

The receipt of pension income also differs by race and ethnicity. Minority women and men were significantly less likely to receive pension income compared with their non-Hispanic white counterparts. Only 12 percent of minority women and 17 percent of minority men received pension income, compared with 20 percent of women and 30 percent of men among non-Hispanic whites. Of those receiving pension income, however, the median annual pension was similar between the two groups. Among women, the median pension income received was slightly higher for minorities (\$6,336) than for non-Hispanic whites (\$6,132). Among men, it was \$11,000 for minorities and \$12,408 for non-Hispanic whites. The relatively small racial and ethnic gap suggests that although a much smaller proportion of minorities held the kinds of jobs that provide pensions, those who did qualify received comparable amounts to those of non-Hispanic whites.

The District of Columbia has the highest percentage of women receiving pension income (28 percent), followed by Hawaii, Maryland, New Hampshire, and Michigan (all above 23 percent, compared with the average of 18 percent; see Summary Table 10). For men, Maryland has the highest rate (37 percent), followed by West Virginia, Hawaii, Pennsylvania, Michigan, and Arizona (all above 33 percent, compared with the average of 28 percent). In terms of the amount of pension and other retirement income, the District of Columbia ranks at the top for both women (\$12,241) and men (\$22,176). Colorado, New Mexico, Virginia, Maryland, and Hawaii are the next highest for women when examining the median annual pension income received (between \$8,400 and \$10,800), while for men Alaska, Hawaii, Maryland, and Virginia also rank high (between \$16,100 and \$18,000).

Employer-Sponsored Pension Plans and Employee Participation

Although the likelihood of receipt and the amount of income from pension plans differ substantially by gender, there is a relatively small gender gap in current pension coverage among the population 50 and older who worked in the previous year. The March CPS asks several questions about employer-based pension coverage only to those who were employed in the previous year. Overall, a similar proportion of women and men—58 percent of women and 59 percent of men—responded that their employers offered pension plans of some kind. The percentage of employers offering pension plans decreases for older groups and also for those with lower family incomes. These patterns hold for both women and men. For example, 62 percent of women and 64 percent of men in the pre-retiree group reported that their employers offered some kind of pension plan, compared with only 35 percent of women and 31 percent of men in the older retiree group. Part of the explanation is that at older ages, both women and

men who are still employed are much more likely to be working part time than their younger counterparts. Also minorities are less likely to report that their employers have pension plans compared with non-Hispanic whites. There are only minor gender differences in coverage within these groups.

The proportion of older workers who actually enrolled in employer-offered pension plans, however, differs between the sexes. Overall, 49 percent of women, compared with 52 percent of men, in the population aged 50 and older enrolled in pension plans. The percentage of workers who enrolled declines sharply with age and income, but these figures reflect in part the declining proportion of workers whose employers offered pension plans. When the proportion only among those whose employers offered pension plans is calculated, the gender gap still remains-- 83 percent of women, compared with 89 percent of men, enrolled in pension plans offered by their employers. In addition to the gender gap, the proportion offered a plan differs by age group and by family income level. Again, the percentage varies even when the comparison is confined only to those whose employers offered a pension plan of some kind (Table 6). For example, of those workers whose employers offered pension plans, 88 percent of women and 92 percent of men in the pre-retiree group enrolled in pension plans, whereas only 55 percent of women and 62 percent of men in the older retiree group enrolled.

Table 6. Percentage of the U.S. Population Aged 50 and Older Enrolled in Employer-Sponsored Pension Plans by Gender, 1998-2000

Age Group	Women (%)	Men (%)	Family Income	Women (%)	Men (%)
Pre-retirees (age 50-61)	87.8	91.9	Top quartile	89.3	93.9
Younger retirees (age 62-74)	69.1	77.7	Middle half	82.1	85.4
Older retirees (age 75+)	54.6	61.7	Bottom quartile	57.9	61.6

Source: The March Current Population Survey, 1999-2001

These differences by age as well as by gender are associated with work status to an important degree. Even if an employer sponsors a pension plan, not everyone is eligible to enroll because of such factors as job tenure or the number of hours worked (Shaw and Hill 2001). Full-time versus part-time employment status has a significant bearing upon whether a worker enrolls in a pension plan. Of those who worked in the previous year, women were nearly twice as likely as men to work part time—28 percent of women versus 15 percent of men—whether they worked year-round or only part of the year. Likewise, the proportion of women and men working part time increases considerably for older age group. For example, about half of younger retiree women worked part time compared to almost two-thirds of older retiree women (table not shown). Among men, the proportion increased from about a third of younger retiree men to more than half of older retiree men.

Although other factors also affect pension participation, Table 7 illustrates that part-time workers are clearly less likely to work for employers who have pension plans, and they also are less likely to be enrolled in plans. Within all work status categories, women are slightly more likely than men to work for employers who sponsor pensions, and women have enrollment

rates similar to men when plans are available. The gender gap in pension participation at older ages depends to a considerable extent on the different work patterns of women and men.

Table 7. Pension Sponsorship and Enrollment among Women and Men Aged 50 and Older Who Worked in the Previous Year by Gender, 1998-2001

Work Status	Employers sponsoring pension plans (%)		Workers enrolled when a plan is sponsored (%)	
	Women	Men	Women	Men
Full-time, full-year	67.1	65.2	91.7	93.3
Part-time, full-year	39.0	32.0	63.4	62.2
Full-time, part-year	60.0	52.3	78.8	79.2
Part-time, part-year	38.5	32.1	46.3	48.8

Source: The March Current Population Survey, 1999-2001.

Missouri and Rhode Island rank at the top for women both in the percentage of employers offering pension plans and in the percentage of workers enrolled in plans (see Summary Table 11). For men, Michigan ranks at the top for both percentages. Florida and Arkansas, on the other hand, are among the states with the lowest percentages for women as well as for men in the proportion of employers sponsoring pension plans and the proportion of workers enrolled in plans.

Health Insurance Coverage

Among the population aged 50 and older, more than 9 out of 10 men and women had health insurance coverage of some kind for calendar years 1999-2000. As Table 8 shows, about half of persons aged 50+ had public coverage (including Medicare, Medicaid, and military health care) and about 70 percent had some kind of private insurance. (The combined percentages exceed 100, since some people had more than one type of insurance.) Women were somewhat more likely than men to have public coverage (53 percent versus 48 percent), and men were more likely than women to have private insurance coverage of some type, especially employer-based coverage (77 percent versus 71 percent).

Age is such an important factor underlying the type of health coverage among people aged 50 and older that averages cited for the total population are somewhat misleading. Among older retirees, fully 98 percent had public insurance. While public insurance coverage is greater for older groups, the percentage with private insurance coverage is greater for younger groups. But there is a large difference in the type of private insurance coverage among age groups. Since most pre-retirees were still in the workforce, they were more likely than the older groups to have employer-based health plans, although women were somewhat less likely than men to do so. On the other hand, the proportion of people with individually purchased health plans increased from only about 10 percent among pre-retirees up to close to one-third among older retirees.

Table 8. Types of Health Insurance Coverage of the U.S. Population Aged 50 and Older by Age Group and Gender, 1999-2000

Age Group	Public Insurance (%)		Employer-Based Private Insurance (%)		Other Private Insurance (%)	
	Women	Men	Women	Men	Women	Men
Pre-retiree (age 50-61)	12.6	12.2	70.1	74.8	10.3	8.7
Younger retiree (age 62-74)	77.6	75.3	39.9	50.4	26.5	23.1
Older retiree (age 75+)	98.7	97.8	24.9	32.8	34.2	30.7
Total	53.1	47.8	50.1	59.4	20.9	17.3

Source: The March Current Population Survey, 2000-2001.

Family income also is closely tied with health insurance coverage, but only for the pre-retiree age group (Table 9). More than 95 percent of younger retirees and more than 99 percent of older retirees had health coverage of some kind, with small differences across family income levels. Yet, there is a large difference by family income among pre-retirees (aged 50-61). Among women pre-retirees, 93 percent of women in the top quartile had some type of health insurance, whereas this rate goes down to 72 percent in the bottom quartile. The corresponding figures for men are 96 and 70 percent, respectively--an even larger difference than for women.

Table 9. Percentage of the U.S. Population Aged 50 and Older with Any Type of Health Insurance Coverage by Age Group, Family Income, and Gender, 1999-2000

Family Income	Pre-retirees (age 50-61) (%)		Younger retirees (age 62-74) (%)		Older retirees (age 75+)\ (%)	
	Women	Men	Women	Men	Women	Men
Top quartile	93.4	96.1	96.4	97.5	99.8	99.7
Middle half	86.3	87.0	96.1	96.8	99.8	99.4
Bottom quartile	72.3	70.2	94.3	93.5	99.6	98.8

Source: The March Current Population Survey, 2000-2001.

Employer-based health coverage in particular varies widely by family income. Of course, many people at the top income quartile were still working, but even among those who were out of the labor force, nearly 58 percent of women and 62 percent of men in the top quartile had coverage from employer-sponsored health insurance, probably in most cases representing retiree health plans that some employers maintained. In contrast, fewer than 20 percent of non-working women and men in the bottom quartile had employer-based health plans. Even among those who were working, women and men in the bottom quartile were less than half as likely as those in the top quartile to have employer-based coverage.

Table 10. Percentage of the U.S. Population Aged 50 and Older with Employer-Based Health Insurance by Family Income, Work Status and Gender, 1999-2000

Family Income	Total (%)		Currently Working (%)		Currently Not Working (%)	
	Women	Men	Women	Men	Women	Men
Top quartile	76.2	82.5	86.8	87.8	58.2	62.0
Middle half	55.8	59.9	75.0	73.3	42.5	47.5
Bottom quartile	21.8	22.9	40.6	37.3	18.6	19.4

Source: The March Current Population Survey, 2000-2001.

Women in the North Central and New England states (e.g., Rhode Island, New Hampshire, Connecticut, Massachusetts, Minnesota, and Wisconsin), and in the District of Columbia and Hawaii are the most likely to have health insurance, whereas women in the southern states, particularly New Mexico, Louisiana, and Texas are the least likely to have health insurance (see Summary Table 12). Hawaii, Minnesota, New Hampshire, and Connecticut have the highest percentages of men with any type of health insurance, while Alaska, New Mexico, and South Carolina have the lowest percentages.