

The Importance of Social Security and Medicare for Women

Social Security

Social Security most common income

- Nearly 9 in 10 men and women aged 65 or older receive Social Security benefits.
- For older women, Social Security averages half of their income. Women less likely to have pensions
- Fewer than 1 in 3 women receives pension income compared with nearly 1 in 2 of men
- For those who have pensions, the typical woman receives little more than half as much as the typical man (\$6,388 versus \$11,971).
- Comparing all women and men (those with and without pensions) women's pension income averages only about one-third of men's.

Women living alone

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

Must continue to work to earn pay

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

Older women are more likely 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% versus 2.5%). Older women and men of color are much more likely to receive SSI than their white counterparts.

Older women of color have less asset income

- More than 1 in 4 older African American women (27%), about 1 in 5 older Hispanic women (22%) and about 1 in 8 Asian American women (12%) in the United States is poor, compared with only 1 in 20 older white men (5%).
- Only 25% of older African American women and 23% of older Hispanic women, compared with 66% 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).

[Institute for Women's Policy Research, Briefing Paper, November 2007](#)

Facts about Women and Social Security

- 58% of Social Security recipients age 62 and older are women, a number that rises to
- 71% at age 85.
- They primarily work in lifetime low-wage jobs with few benefits, and live an average of 5.2 years longer than men. Hence, they rely on Social Security for retirement income to a far greater degree than men
- This includes guaranteed lifetime benefits and a full cost-of-living adjustment that ensure that women do not outlive their assets, or their income reduced by inflation, no matter how long they live. A progressive benefit formula that helps lower income earners, who are disproportionately women. Benefits for children and the parent who takes care of them, when a working parent becomes disabled or dies prematurely. Spousal and survivor benefits for married women, divorced women, and widows.
- Some politicians have used exaggerated “crisis” rhetoric to call for deep cuts in, or even replacement of, Social Security.
- The truth is that Social Security can pay benefits at current levels for more than 30 years. However, by 2041, payroll taxes will cover only about 75% of promised benefits. Steps should be taken to ensure the program's solvency- but it is not necessary to jeopardize women's economic security to do so. (Data from
- 2008 Social Security Trustees report)
- Social Security should be improved to reduce poverty among older women. Without Social Security, more than half of elderly women would be living in poverty. However, even with Social Security, older women are nearly twice as likely as older men to be poor. As the President proposed, Social Security benefits should be improved to reduce poverty among elderly women.

[OWL, Facts about Women and Social Security](#)

Poverty Rate for Older Women

- The poverty rate for all elderly women is 12.5%. However, for widows (18.6%), divorced (22%) and never married (20%) it is much higher.
- Older women of color are the poorest in retirement: 27.4% of African American women and 21.7% of Hispanic women living alone are below the poverty line.
- Around three out of five women today work in sales, clerical, and retail jobs.
- Service, part-time and contingent jobs are low-waged and rarely provide benefits, such as pensions, women require to ensure a secure retirement.

[OWL, Older Women and Poverty](#)

Without Social Security...

- According to the National Women's Law Center, without Social Security, more than half of women over 65 would be poor.

Women of color and Social Security

- Social Security is the only source of retirement income for 40% of African American seniors. The Social Security Administration estimates that the poverty rate for elderly blacks would more than double, from 24% to 65%, without Social Security.
- Although African Americans make up approximately 13 percent of the American population, 20% of all children receiving Social Security survivor benefits in 2007 were African American.
- A study conducted by the National Urban League Institute for Opportunity and Equality showed that these benefits lifted one million children out of poverty and helped another one million avoid extreme poverty (living below half the poverty line).
- While African Americans make up 9% of all female beneficiaries, African American women constitute 18% of female disabled worker beneficiaries.

[National Education Association, Ethnic Minority Communities and Social Security](#)

Medicare

Women in need of Medicare

- 57% of Medicare beneficiaries are women, rising to 80% for populations over 85.
- In 2005, the average annual out-of-pocket cost for Basic Medicare Advantage plans was \$1917
- Since 1980, the female population has increased in age by 35%. The fastest growing segment of the population is women 85 years of age and older.

- Older women are poorer than older men, and 12.5% of older women, compared to 7% of older men, live in poverty.
- Older women have more complex conditions than men, and are more likely to require services not covered by Medicare, such as greater numbers of more costly pharmaceuticals, further increasing out-of-pocket expenses.

[OWL, Women and Medicare](#)

Medicare for women of color

- In addition to multiple chronic conditions, functional impairments and long-term care needs are also more common among older women.
- One-third of women on Medicare need assistance with one or more activities of daily living, such as eating or bathing, compared with just over a quarter of men.
- Because older women are likelier than male counterparts to be widowed or live alone, they often rely on paid assistance to meet their long-term care needs. As a result, women account for two-thirds of all home health users and three-quarters of all nursing home residents.
- African American women and Latinas on Medicare are considerably more likely than white women to be low-income, with 56% of African American women and 58% of Latinas on Medicare living on annual incomes of less than \$10,000 compared to 24% of white women beneficiaries.
- Employer-sponsored plans, often known as retiree health plans, assist 30% of women on Medicare with drug costs. During the past decade, however, there has been a steady erosion of retiree health benefits due to increasing employer health costs, a trend that is likely to continue in the future.
- Having no drug coverage is a concern for over one-quarter of women – 6 million on Medicare. Women without prescription drug coverage fill fewer prescriptions annually, on average, than do those with drug coverage, yet spend substantially more per year out-of-pocket for their medications.
- Lower drug use among women who lack coverage leaves them vulnerable to complications arising from poorly managed health problems.
- Women are major stakeholders in the debate over Medicare's future. Expanding outpatient prescription drug and long-term care coverage would make a considerable difference in the lives of millions of women, given their complex health needs and high use of prescription drugs.
- In addition, greater financial protections would provide relief for all low-income beneficiaries, the majority of whom are women. Moreover, understanding the full implications of proposed reforms for aging women will be essential to the success of any effort to strengthen and improve Medicare for future generations.

[The Kaiser Family Foundation, The Medicare Program](#)