

Social Security and Women

Seventy-five years ago a retired secretary named Ida May Fuller plucked an envelope from her mailbox in rural Vermont. It contained a Social Security check for \$22.64, and was numbered 00-000-001. Fuller, known locally as “Aunt Ida,” had unwittingly become the first recipient of the massive entitlement program launched by the Roosevelt administration. She ultimately lived to be 100 years old, and had collected \$22,888.92 by the time she died.

Today, Social Security is the only source of income for nearly three in 10 women over the age of 65. While the average Social Security benefit is \$17,500 a year for men, the same benefit amounts to \$13,500 annually for women.

The discrepancy is due to several factors, including gender and wage inequality -- today, women working full time are paid 77 cents for every dollar paid to white, non-Hispanic men, according to the U.S. Census Bureau. Data indicate that this persistent gap affects women in 97 percent of the country’s congressional districts.

In addition, many women experience pay gaps over the course of their working lives, particularly if they take time off from their jobs during pregnancy, and while they raise a family or tend to elderly parents.

The ensuing result: Women disproportionately rely on Social Security income to support themselves in their “golden” years, when compared with men. And without Social Security, nearly half of women 65 or older would be poor. On average, female beneficiaries 65 and older receive 61 percent of their family income from Social Security, compared with 56 percent for male beneficiaries the same age, according to the National Women’s Law Center, a Washington, D.C.-based advocacy group.

It gets worse as women age -- the percentage of female beneficiaries who rely on Social Security for virtually all their income almost doubles with age: From 20 percent for women ages 65 to 69 to 39 percent for women 80 and older. Compare that to 16 percent for men ages 65 to 69, and 30 percent for men 80 and older.

And, women do live longer than men -- on average by 2.3 years. So women are more likely to outlive their pension (should they even have one) and other retirement savings.

Poverty often follows women as they age, too. More than twice as many women (2.9 million nationwide) as men lived in poverty in 2013. Poverty rates are even-higher for people of color: Nearly 20 percent of black women, 23 percent for Hispanic women, and 21 percent for Native Americans.

There doesn’t appear to be any gender discrimination in how Social Security benefits are actually determined. But there are number of proposals that Congress can enact to

correct the unintended discrimination, according to the National Committee to Preserve Social Security. Here are some of the Committee's suggestions:

1. Improve survivor benefits: Women living alone often are forced into poverty because of benefit reductions stemming from the death of a spouse. Providing a widow or widower with 75 percent of the couple's combined benefit treats one-earner and two-earner couples more fairly and reduces the likelihood of leaving a survivor in poverty.
2. Provide Social Security benefits to those who leave the workforce to include earnings for up to five family service years. This would cover tending to children or elderly family members.
3. Enhancing the amount of Special Minimum Primary Insurance Amount, the benefit intended to provide a larger benefit to people who work for many years in low-wage employment.
4. Improving the basic benefit of current and future beneficiaries. After years of operating under a cost-of-living adjustment that do not reflect higher inflation related to health-care costs and the fact that seniors devote a higher percentage of their monthly spending to these expenses, seniors need to have them offset by an across-the-board benefit increase. Women, especially, who have worked a lifetime of low pay (often the result of gender-based wage discrimination) are financially vulnerable in retirement because they are less likely to have private pensions or discretionary income that would allow for saving.