

Social Security Benefits for Women Aged 62 or Older, December 1996*

In the four and a half decades between 1940 and 1996, there has been a dramatic increase in the number of women in the Nation's work force (persons working or looking for work). Nearly 14 million women accounted for one-fourth of the work force in 1940. This number increased to 23.2 million in 1960, or 33 percent of the labor force. In 1996, about 62 million women represented 46 percent of the total work force (table 1). Not only has the number of working women increased more than three-fold since 1940, but employment patterns of women have also changed. Women are more likely to spend more years working and have also moved into occupations that require full-time, year-round work.¹

This increased labor force participation has a direct impact on Social Security benefit entitlement—the types and amounts of Social Security benefits received by women aged 62 or older. This note briefly describes these benefits. Data are derived from the Social Security Administration's principal administrative benefit data file, the Master Beneficiary Record.²

Benefit Entitlement

In 1996, 21 million women aged 62 or older received Social Security benefits. Women in this age group were generally entitled to Social Security benefits in one of three ways:

- (1) Solely as retired or disabled workers whose entitlement was based on their own earnings record. Their worker's benefit usually exceeded any amount to which they may have been entitled on their husband's earnings record if they were or had been married.
- (2) Solely as wives or widows whose entitlement is based on their husband's earnings record. These women usually did not have enough covered employment to qualify for benefits as workers.³
- (3) Dually entitled on the basis of their own earnings and those of their spouses. Because the amount of their worker's benefit is less than their benefit as a

wife or widow, they receive the worker's benefit plus the difference between that amount and the benefit they would receive as a wife or widow. They cannot receive both the full worker's benefit and the full wife's benefit or widow's benefit.

Women entitled to benefits solely as workers and those who were dually entitled are both regarded as workers in benefit statistics; women entitled to benefits only as wives or widows are counted as such. In 1996, 13.1 million women aged 62 or older were entitled as workers, including 7.6 million entitled solely on their own earnings records, and 5.5 million who were dually entitled. About 7.8 million were entitled to benefits as wives or widows only (table 2).

Insured Status

Because the Social Security program provides work-based benefits, to qualify for retired-worker benefits a woman must be fully insured; that is, she must have earned sufficient quarters of coverage under OASDI-covered employment. In addition to fully insured status, other requirements must be met for entitlement to disabled-worker benefits. A corollary of the yearly growth in labor force participation of women, mentioned above, is the substantial increase in the number of women who have gained fully insured status.

Between 1970 and 1996, the number of women workers, regardless of age, who were fully insured increased from 45.4 million to 83.8 million—an increase of 85 percent—and the number of fully insured women aged 65 or older increased by 140 percent—from 5.8 million to 13.7 million (table 3). Comparable percentage increases for men during this period were 44 percent and 66 percent, respectively. In 1996, 67 percent of the total female population aged 65 or older were fully insured, compared with 55 percent in 1980. However, more than 90 percent of the male population were fully insured in both years.

Benefit Entitlement, 1960-96

Women's increased labor force participation and the consequent increase in their insured status has resulted in changes in benefit entitlement over the past 35 years. In 1960, 43 percent of women were entitled to a worker benefit. This percentage increased to 51 percent in 1970 and 63 percent

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in 1996. There was a corresponding decline in the percent entitled solely to spousal benefits—from 57 percent in 1960 to 37 percent in 1996 (table 2).

The increase in retired-worker entitlement has been accompanied by a substantial rise in the percentage of women who were dually entitled—from 5 percent in 1960 to 26 percent in 1996. Thus, spousal benefits remain important for many women even though they have enough Social Security coverage to become entitled on their own earnings records. The percentage of women entitled solely as workers increased from 39 percent in 1960 to 42 percent in 1970, then gradually declined over the next 26 years to 36 percent in 1996.

Beneficiary Experience, 1996

In 1996, 18.8 million women aged 65 or older received Social Security benefits; their average monthly benefit was \$634. For the 11.8 million women qualifying for retired-worker benefits, the average monthly benefit was \$657. The 6.6 million worker-only beneficiaries received a monthly benefit of \$635 (table 4).

An additional 5.2 million women were dually entitled—entitled to both a retired-worker benefit and a spousal benefit. These women were entitled to a benefit based on their own earnings, which was less than their benefit as a wife or widow. Monthly benefits for this group averaged \$684—\$448 for the 2.1 million dually entitled as wives and \$846 for the 3.1 million dually entitled as widows.

About 7.1 million women were entitled to benefits as a wife or widow only (spousal benefits). Benefits averaged \$391 per month for those entitled as wives and \$712 for those entitled as widows. Most of these beneficiaries typically had not worked long enough in covered employment to qualify for retired-worker benefits.

In general, the younger the age group, the larger the percentage of women entitled as workers; the older the age group, the greater the likelihood of entitlement solely as wives or widows. Furthermore, among women entitled as workers in the younger age group, about one-fourth (24 percent) were dually entitled, while two-fifths (40 percent) were entitled as workers only, compared with 25 percent and 33 percent, respectively, among those aged 90 or older. As would be expected, the percentages of women receiving wives' benefits decreased substantially with age, while those with widows' benefits correspondingly increased.

Among all age groups, benefits averaged highest for women dually entitled to widows benefits. For example, among beneficiaries aged 75-79, average benefits for dually entitled widows were \$876.70, compared with \$731.60 for

those entitled solely as widows and \$635.30 for those entitled only as retired workers.

Benefit Levels, 1996

The amount of Social Security benefits one receives is based on the worker's primary insurance amount (PIA). The PIA is related to the worker's earnings in employment or self-employment covered under Social Security. The full PIA is payable to a retired worker who begins to receive benefits at age 65, or to a disabled worker who has never received a retirement benefit reduced for age. Retired workers can receive benefits as early as age 62, but the benefit is reduced by 5/9ths of 1 percent for each month of entitlement between ages 62 and 65. Wives of workers can receive up to 50 percent of their husbands' PIA; widows may receive up to 100 percent of the deceased worker's PIA.

In 1996, more than one-fourth (27 percent) of all retired-worker women had PIAs less than \$400, compared with only 7 percent of all men. About half (52 percent) of all women had PIAs amounting to no more than \$549, while about half of the men (48 percent) had PIAs of more than \$1,000. The lower PIAs for women reflect lower earnings and years spent out of the work force. More than three times the rate of dually entitled women (60 percent), compared with women entitled as workers only (19 percent), had PIAs under \$450 (table 5).

Table 6 shows the distribution of retired workers and widows by the monthly benefit amount payable, which reflects reductions for early retirement and, for dually entitled retired workers, includes the amount of the spousal benefit. In December 1996, retired-worker women received an average monthly benefit of \$643.60, compared with \$838.00 for their male counterparts. While only about 1 in 7 (14 percent) of retired-worker men received monthly benefits under \$500, more than one-third (36.4 percent) of women received benefits of that amount; and 43 percent of men, but only 17 percent of retired-worker women, received monthly benefits of \$900 or more. Benefits for nondisabled widows averaged \$708.60 and about one-fifth of these widows received monthly benefits of less than \$500. Close to another fifth received benefits of \$900 or more.

Notes

¹ "Facts on Working Women," U.S. Department of Labor, No. 96-2, September 1996, p. 2.

² Most of the benefit data are based on a 10-percent sample. For a discussion of the sample see the section "Sampling Variability" in the *1997 Annual Statistical Supplement to the Social Security Bulletin*.

³ Women insured as workers who also qualify for a wife's or widow's benefit are not, in certain cases, required to apply for the worker benefit.

Table 1.— Number of women aged 16 or older in the civilian noninstitutionalized population and number and percent of those in the labor force, 1940-96

Year ¹	[Number in millions]				
	Total number	Number	In labor force		
			As percent of—		Total labor force
		All women			
1940.....	47.7	13.8	29		25
1950.....	54.3	18.4	34		30
1960.....	61.6	23.2	38		33
1970.....	72.8	31.5	43		38
1980.....	88.4	45.5	52		43
1990 ²	98.8	56.8	57		45
1996.....	104.4	61.9	59		46
Percentage increase, 1940-96.....	118.9	348.5			

¹For 1940, data are for March; for 1950-96, data are annual averages.

² Beginning in 1994, data are not strictly comparable with data for 1993 and prior years because of a major redesign of the Current Population Survey (household survey) questionnaire and collection methodology. For additional information, see "Revisions in the Current Population Survey Effective January 1994" in the February 1994 issue of *Employment and Earnings*. Beginning in 1990, data incorporate 1990 census-based population controls, adjusted for the estimated

undercount. For additional information, see "Revisions in Household Survey Data Effective February 1996" in the March 1996 issue of *Employment and Earnings*.

Source: Bureau of Labor Statistics, Department of Labor, in the January 1989 issue of *Employment and Earnings*, pp. 160-161, and the January 1997 issue, pp. 158-159.

Table 2.—Number and percentage distribution of women beneficiaries aged 62 or older, by type of benefit and dual-entitlement status in current payment status, December 1960-96

Type of benefit	1960	1970	1980	1990	1996
Number (in thousands)					
Total ¹	6,691	11,374	16,350	19,954	20,963
Entitled as worker ²	2,866	5,753	9,304	12,037	13,115
Worker only.....	2,563	4,786	6,710	7,359	7,597
Dually entitled ³	303	967	2,594	4,678	⁴ 5,518
Wife's benefit.....	159	388	1,016	2,077	2,430
Widow's benefit.....	141	574	1,575	2,600	3,087
Entitled as wife or widow only ³	3,753	5,621	7,046	7,917	7,848
Wife's benefit.....	2,174	2,546	2,884	3,059	2,937
Widow's benefit ⁵	1,546	3,048	4,148	4,853	4,911
Percentage distribution					
Total ¹	100.0	100.0	100.0	100.0	100.0
Entitled as worker ²	43.3	50.6	56.9	60.3	62.6
Worker only.....	38.7	42.1	41.0	36.9	36.2
Dually entitled ³	4.6	8.5	15.9	23.4	⁴ 26.3
Wife's benefit.....	2.4	3.4	6.2	10.4	11.6
Widow's benefit.....	2.1	5.0	9.6	13.0	14.7
Entitled as wife or widow only ³	56.7	49.4	43.1	39.7	37.4
Wife's benefit.....	32.8	22.4	17.6	15.3	14.0
Widow's benefit ⁵	23.4	26.8	25.4	24.3	23.4

¹ Excludes special age-72 beneficiaries and adults receiving benefits because of childhood disability.

² Includes disabled workers.

³ Includes parents.

⁴ Based on a 10-percent sample.

⁵ Includes disabled widows and mothers.

Table 3.—Estimated number and percentage distribution of workers, by sex and insured status, December 1970-96

Year	Number of workers (in thousands)				Percentage increase from 1970			
	Fully insured ¹			Disability insured, ² under age 65	Fully insured ¹			Disability insured, ² under age 65
	Total number	Under age 65	Aged 65 or older		Total percent	Under age 65	Aged 65 or older	
Women								
1970.....	45,398	39,627	5,772	24,656	...	...	...	...
1975.....	53,835	46,411	7,424	30,982	18.6	17.1	28.6	25.7
1980.....	63,510	54,481	9,029	40,189	39.9	37.5	56.4	63.0
1985.....	69,962	59,264	10,698	46,676	54.1	49.6	85.3	89.3
1990.....	77,533	65,184	12,349	53,215	70.8	64.5	114.7	115.8
1996.....	83,808	70,073	13,735	59,364	84.6	76.8	140.0	140.8
Men								
1970.....	62,946	55,007	7,939	49,847	...	...	...	...
1975.....	69,363	60,501	8,862	54,323	10.2	10.0	11.6	9.0
1980.....	76,469	66,628	9,841	60,140	21.5	21.1	24.0	20.6
1985.....	80,726	69,756	10,970	62,896	28.2	26.8	38.2	26.2
1990.....	86,408	74,281	12,127	66,919	37.3	35.0	52.8	34.2
1996.....	90,799	77,629	13,170	70,067	44.2	41.1	65.9	40.6

¹ Includes transitionally insured persons.

² All workers insured for disability are also fully insured. Data

excludes persons aged 65 or older and, before 1966, persons aged 62-64 who were entitled to retirement benefits.

Table 4.—Number and average monthly benefit for women aged 65 or older, by age, type of benefit, and dual entitlement status, in current payment status, December 1996

[Based on 10-percent sample]

Type of benefit	Age group						
	Total number	65-69	70-74	75-79	80-84	85-89	90 or older
Number (in thousands)							
Total ¹	18,821	4,723	4,710	3,908	2,831	1,689	960
Entitled as worker	11,761	3,046	2,953	2,428	1,763	1,020	550
Worker only.....	6,601	1,905	1,661	1,224	955	542	314
Dually entitled	5,160	1,141	1,292	1,204	808	478	236
Wife's benefit.....	2,098	814	682	412	145	39	7
Widow's benefit	3,062	327	611	792	663	440	229
Entitled as wife or widow only	7,061	1,676	1,757	1,480	1,068	668	410
Wife's benefit.....	2,555	878	790	525	256	88	18
Widow's benefit	4,505	799	967	955	812	580	392
Percentage distribution							
Total ¹	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Entitled as worker	62.5	64.5	62.7	62.1	62.3	60.4	57.3
Worker only.....	35.1	40.3	35.3	31.3	33.7	32.1	32.7
Dually entitled	27.4	24.2	27.4	30.8	28.5	28.3	24.6
Wife's benefit.....	11.1	17.2	14.5	10.5	5.1	2.3	.7
Widow's benefit	16.3	6.9	13.0	20.3	23.4	26.1	23.9
Entitled as wife or widow only	37.5	35.5	37.3	37.9	37.7	39.6	42.7
Wife's benefit.....	13.6	18.6	16.8	13.4	9.0	5.2	1.9
Widow's benefit	23.9	16.9	20.5	24.4	28.7	34.3	40.8
Average monthly benefit							
Total ¹	\$633.90	\$565.80	\$603.90	\$657.30	\$713.50	\$700.90	\$668.00
Entitled as worker	656.70	579.60	627.10	683.30	754.10	728.10	680.90
Worker only.....	635.30	589.00	615.20	635.30	728.80	691.00	642.60
Dually entitled	684.00	563.90	642.20	732.00	783.90	770.20	731.80
Wife's benefit.....	447.70	444.00	441.70	453.80	471.90	470.90	463.30
Widow's benefit	846.00	862.80	866.10	876.70	852.20	796.40	739.80
Entitled as wife or widow only	595.90	540.60	565.00	614.80	646.60	659.40	650.70
Wife's benefit.....	390.50	380.50	384.50	402.20	415.00	403.50	388.00
Widow's benefit.....	712.40	716.70	712.50	731.60	719.70	698.20	662.80

¹ Excludes parents, special age-72 beneficiaries, and adults receiving benefits because of a childhood disability.

Table 5.—Number and percentage distribution of retired-worker beneficiaries with benefits in current-payment status, by primary insurance amount and sex, at end of 1996

[Based on 10-percent sample]

Benefit amount	Total number	Men	Women		
			Total	Dually entitled	Worker-only entitlement
Primary insurance amount					
Total number.....	26,899,170	14,011,920	12,887,250	5,517,510	7,369,740
Total percent.....	100.0	100.0	100.0	100.0	100.0
Less than \$300.00.....	9.9	3.4	16.9	29.8	7.2
\$300.00–\$349.90.....	2.8	1.1	4.8	8.0	2.3
\$350.00–\$399.90.....	3.4	1.4	5.6	9.0	3.1
\$400.00–\$449.90.....	5.5	2.3	9.0	13.0	6.0
\$450.00–\$499.90.....	5.2	2.4	8.2	10.4	6.5
\$500.00–\$549.90.....	5.0	2.5	7.6	7.8	7.4
\$550.00–\$599.90.....	4.5	2.5	6.6	5.2	7.7
\$600.00–\$649.90.....	4.4	2.8	6.2	3.9	8.0
\$650.00–\$699.90.....	4.3	3.1	5.7	3.3	7.4
\$700.00–\$749.90.....	4.3	3.5	5.1	2.7	6.9
\$750.00–\$799.90.....	4.3	4.0	4.5	2.1	6.3
\$800.00–\$849.90.....	4.5	4.8	4.1	1.6	6.0
\$850.00–\$899.90.....	4.4	5.4	3.4	1.1	5.1
\$900.00–\$949.90.....	4.7	6.3	3.0	.8	4.7
\$950.00–\$999.90.....	4.7	6.9	2.3	.5	3.7
\$1,000.00–\$1,049.90.....	5.5	8.8	1.9	.3	3.1
\$1,050.00–\$1,099.90.....	5.4	9.0	1.5	.2	2.4
\$1,100.00–\$1,149.90.....	5.8	10.0	1.3	¹ .3	¹ 6.1
\$1,150.00–\$1,199.90.....	5.1	9.0	.9	...	...
\$1,200.00 or more.....	6.2	10.7	1.3	...	...

¹ \$1,100 or more.

Table 6.—Number and percentage distribution of retired workers and nondisabled widows, by monthly benefit, December 1996

[Based on 10-percent sample]

Monthly benefit	Retired workers		Nondisabled widows
	Men	Women	
Total number.....	14,011,920	12,887,250	4,979,740
Total percent.....	100.0	100.0	100.0
Less than \$300.00.....	4.2	6.5	5.2
\$300.00–\$349.90.....	1.7	3.9	2.6
\$350.00–\$399.90.....	2.2	6.4	3.3
\$400.00–\$449.90.....	2.7	9.8	4.0
\$450.00–\$499.90.....	2.9	9.8	4.6
\$500.00–\$549.90.....	3.1	7.5	5.7
\$550.00–\$599.90.....	3.4	6.4	7.0
\$600.00–\$649.90.....	3.8	5.7	8.1
\$650.00–\$699.90.....	4.5	5.6	8.5
\$700.00–\$749.90.....	5.4	5.7	8.9
\$750.00–\$799.90.....	6.5	5.6	9.1
\$800.00–\$849.90.....	8.1	5.3	8.4
\$850.00–\$899.90.....	8.4	4.6	6.3
\$900.00–\$949.90.....	9.9	4.0	4.8
\$950.00–\$999.90.....	7.5	3.0	3.3
\$1,000.00–\$1,049.90.....	5.5	2.3	2.4
\$1,050.00–\$1,099.90.....	4.4	1.8	1.9
\$1,100.00–\$1,149.90.....	4.1	1.5	1.5
\$1,150.00–\$1,199.90.....	3.4	1.2	1.2
\$1,200.00 or more.....	8.4	3.2	3.3
Average benefit.....	\$838.00	\$643.60	\$708.60