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Measures of Health and Economic Well-Being Among American Indians and Alaska Natives Aged 62 or Older in 2030

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Introduction

The American Indian and Alaska Native (AIAN) population faces substantial hardships. When compared with the total population of the United States, the AIAN population has poorer health, lower earnings, and higher poverty rates (CDC 2011; Smith-Kaprosy, Martin, and Whitman forthcoming). However, little work has addressed the extent to which these disparities are likely to persist into retirement. This Research and Statistics Note investigates the projected demographic, health, and economic characteristics of the AIAN population aged 62 or older in 2030.

The analysis uses projections from the Social Security Administration's (SSA's) Modeling Income in the Near Term, version 5 (MINT5) microsimulation model. To project population characteristics, income, and assets in 2030, MINT5 uses pooled data from the 1990 to 1996 panels of the Survey of Income and Program Participation (SIPP) matched with Social Security administrative records for earnings, benefits, and mortality through 2004, as well as data from the Health and Retirement Study and the Panel Study of Income Dynamics. Thus, for the youngest among the sample aged 62 or older in 2030, the model inputs include actual earnings and benefits through age 36 and projected data for older ages.[1] Individuals described as AIAN in our analysis are those who listed their race as "American Indian, Eskimo or Aleut" in the SIPP.[2]

MINT5 projects that AIAN seniors will have lower levels of health and economic well-being than the overall aged population, as measured by health status, work limitation status, disability status, lifetime earnings, per capita Social Security benefits, per capita income, per capita wealth, and poverty. In this

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[1] For a complete description of MINT5, see Smith and others (2007). For a broader MINT overview, see http://www.socialsecurity.gov/policy/about/mint.html.

[2] For the SIPP panels used in MINT5, respondents could select only a single race. However, readers should be aware that the AIAN population is heterogeneous and includes individuals with single- or multi-race ancestry in a range of diverse independent nations with distinct historical and contemporary characteristics.

note, we illustrate the disparities between the aged AIAN population and the aged population as a whole in 2030.[3] This analysis first describes the projected demographics of the total and AIAN populations and then examines the measures of health and economic status listed above. All results discussed below are restricted to individuals aged 62 or older, as projected for 2030; where applicable, further restrictions are noted.

Selected Abbreviations

AIAN	American Indian and Alaska Native
MINT5	Modeling Income in the Near Term, version 5
SIPP	Survey of Income and Program Participation
SSA	Social Security Administration

Population Characteristics

To provide a broader context for the health and economic indicators on which this work focuses, Table 1 presents the projected age, educational attainment, and marital status distributions of individuals in the AIAN and total populations, as well as the projected sizes of these populations.

Population Size

The population is projected to include over 600,000 AIAN individuals. This is less than 1 percent of the total aged population in 2030, which is projected to be almost 78 million. Current estimates place the single-race AIAN population at 0.87 percent of the total US population and the multiple-race AIAN population at 1.53 percent of the US population (Ogunwole 2006).[4]

Age distribution

Larger shares of the AIAN population are projected to fall into the younger age groups than are those of the total population. For example, 48.5 percent of the projected aged AIAN population is between ages 62 and 69, compared with 39.9 percent of the total population.

Educational attainment

The AIAN group is projected to be less educated than the total population. Nearly one-quarter of the aged AIAN population will have less than a high school education, compared with 10.5 percent of the total population. The share of each group who will graduate high school is similar, but the share of the AIAN population who will be college graduates is roughly one-half that for the total population (15.3 percent, compared with 29.9 percent).

Marital status

The shares of the AIAN population projected to be divorced and never married are greater than those of the total population. Around 11 percent of the aged AIAN population is projected to never marry, compared with 6.5 percent of the total population. Further, 24.0 percent of AIANs are projected to be divorced, while the comparable figure for the total population is 19.9 percent.[5]

[3] Fully exploring the possible determinants and consequences of the characteristics projected herein is beyond the scope of a Research and Statistics Note.

[4] Previous research has shown that average life expectancy for the AIAN population is lower than the US average (IHS 2011). The smaller projected AIAN share of the aged population, when compared with AIAN representation in the total population, is consistent with this difference in mortality.

[5] Previous research has shown that projected poverty rates for divorced and never-married individuals aged 62 or older are higher than those for married and widowed individuals (Tamborini 2007).

Table 1.
Characteristics of the AIAN and total populations aged 62 or older in 2030

Characteristic	Percentage distribution of—		Ratio of AIAN value to total population value
	AIAN population	Total population	
Age			
62–69	48.5	39.9	1.2
70–79	35.1	40.6	0.9
80–89	14.3	17.0	0.8
90+	2.0	2.5	0.8
Education			
High school dropout	23.6	10.5	2.2
High school graduate	61.1	59.6	1.0
College graduate	15.3	29.9	0.5
Marital status			
Never married	10.7	6.5	1.6
Married	48.1	54.7	0.9
Widowed	17.3	18.9	0.9
Divorced	24.0	19.9	1.2
Population size	612,835	77,809,053	a

SOURCE: Authors' calculations using MINT5.

NOTE: The unweighted sample sizes for the AIAN and total populations are 443 and 78,485, respectively.

Rounded components of percentage distributions do not necessarily sum to 100.

a. Less than 0.05.

Health

Table 2 presents several health-related variables. Two broad measures of well-being are self-reported health status (here categorized as either poor/fair or good/excellent) and work limitations (categorized as preventing work, not preventing work, and no limitations). Health status applies to all aged 62 or older, but the work limitation variable is restricted to those aged 62–67. Both variables are based on self-assessed measures in the Health and Retirement Study that MINT5 projects forward. Table 2 also shows the share of individuals that MINT5 projects will ever receive Social Security disability benefits.

Health status

The AIAN population's projected health status is substantially poorer than that of the total population. Almost 46 percent of the aged AIAN population is in fair or poor health, compared with 33.6 percent of the total population.

Work limitations

MINT5 also projects that the AIAN population aged 62–67 will have higher rates of work limitations than the total population will. Limitations that prevent work are projected to affect 34.3 percent of the AIAN population aged 62–67, more than double the 15.2 percent figure projected for the total population in that age range.

Disability

The percentage of the population projected to receive Social Security disability benefits at some point in their lives is also higher among the AIAN population than among the total population, at 16.0 percent and

Table 2.
Health indicators for the AIAN and total populations aged 62 or older in 2030

Indicator	Percentage distribution of—		Ratio of AIAN value to total population value
	AIAN population	Total population	
Self-reported health status			
Excellent or good	54.2	66.4	0.8
Fair or poor	45.8	33.6	1.4
Work limitations[a]			
Preventing any work	34.3	15.2	2.3
Not preventing work	18.3	12.8	1.4
No limitations	47.3	71.9	0.7
Percentage ever receiving Social Security disability benefits	16.0	10.8	1.5

SOURCE: Authors' calculations using MINT5.

NOTE: Rounded components of percentage distributions do not necessarily sum to 100.

a. Analysis is restricted to persons aged 62–67.

10.8 percent, respectively. The ever-disabled group includes those who are currently receiving disability benefits or who have previously received them and are now at or above full retirement age. To be categorized as disabled for Social Security benefit purposes, an individual must have a medically determinable impairment that prevents work and is "expected to last at least one year or result in death" (SSA 2011).[6]

Economic Well-Being

The AIAN population is also projected to fare worse than the total population in measures of economic well-being (Table 3). Economic variables analyzed include lifetime shared earnings, per capita monthly Social Security benefits, per capita monthly income, per capita wealth, and poverty. Lifetime shared earnings are the present value of real (inflation-adjusted) individual earnings in years when the individual is single and one-half the sum total of the married couple's earnings in years when that individual is married.[7] Per capita monthly Social Security benefits are the sum of all Social Security benefits that household members receive, divided by the number of people in the household. Per capita monthly income is the sum of any Social Security benefits and Supplemental Security Income (SSI) payments the household receives, plus respondent and spouse earnings, defined benefit pension income, asset income, and any coresident income, all divided by household size.[8, 9] Per capita wealth is total family assets excluding

[6] Eligibility for Social Security disability benefits can be based on physical impairments, mental impairments, or a combination of both. To receive Social Security disability benefits, an individual also must be insured under the program by meeting certain work requirements for the period prior to disability onset. See SSA (2011) for an overview of Social Security's disability benefits.

[7] We use a discount rate equal to the new-issue rate for the Social Security trust funds to calculate the present value. The discount rate is based on actual rates for 1951–2007. For 2008–2016, the rate varies from 1.9 percent to 3.0 percent, and from 2017 forward it remains constant at 2.9 percent, based respectively on short-term and long-term projections of the Office of the Chief Actuary. This definition of shared lifetime earnings will be revised for future versions of MINT.

[8] Our asset income measure represents 80 percent of all nonhousing financial assets annuitized using a unisex annuity factor to create an income stream.

[9] For a description of the SSI program, see http://socialsecurity.gov/pgm/ssi.htm.

Table 3.
Indicators of economic well-being of the AIAN and total populations aged 62 or older in 2030

Indicator	AIAN population	Total population	Ratio of AIAN value to total population value
Present value of lifetime shared earnings ($)			
75th percentile	2,755,480	3,815,507	0.7
Median	1,809,197	2,655,726	0.7
25th percentile	1,171,525	1,629,657	0.7
Per capita monthly Social Security benefits ($)			
75th percentile	1,425	1,595	0.9
Median	1,038	1,168	0.9
25th percentile	582	707	0.8
Per capita monthly income ($)			
75th percentile	3,504	5,400	0.6
Median	2,063	2,948	0.7
25th percentile	1,222	1,752	0.7
Per capita wealth ($)			
75th percentile	217,811	399,770	0.5
Median	67,132	137,410	0.5
25th percentile	16,898	37,499	0.5
Percentage of the population having income at selected percentages of the poverty threshold			
0–100	10.9	4.7	2.3
0–150	20.1	9.9	2.0
0–200	29.6	16.2	1.8
Greater than 200	70.4	83.8	0.8

SOURCE: Authors' calculations using MINT5.

NOTE: All dollar amounts are in 2009 real dollars.

housing wealth, divided by household size.[10] Poverty is measured by expressing income as a percentage of Census Bureau poverty thresholds projected forward, taking into account family size and elderly status.[11]

Lifetime shared earnings

The present value of lifetime shared earnings is substantially lower for the AIAN population than for the total population. The AIAN population's median lifetime shared earnings is projected to be $1.8 million, which is roughly 70 percent of the value projected for the total population.

Per capita monthly Social Security benefits

Per capita Social Security benefits are also projected to be lower among the AIAN population than for the total population. The median monthly per capita benefit will be $1,038 for the AIANs, compared with $1,168 for the total population. The percentage difference is smaller than that projected for lifetime earnings, likely reflecting the progressivity of Social Security's benefit formula, which replaces a higher share of earnings for lower lifetime earners.

[10] Family assets include retirement, savings, checking, and money market accounts; certificate of deposit (CD) balances; stocks; bonds; farm, business, vehicle, and nonhome real estate equity; and other assets; less unsecured debt.

[11] For Census Bureau poverty thresholds, see http://www.census.gov/hhes/www/poverty/data/threshld/index.html.

Per capita income

Examining all income sources, per capita monthly income for the aged AIAN population is lower than that for the total population, with the most substantial differences appearing at the higher end of the income distribution. The projected median per capita income for the AIAN population is $2,063, compared with $2,948 for the total population. At the 75th percentile, the value for the AIAN group ($3,504) is almost 65 percent of that for the total aged population ($5,400).

Per capita wealth

The percentage differences in per capita wealth between the AIAN population and the total population are even larger than those for per capita income. Projected median per capita wealth for AIANs is $67,132, compared with $137,410 for the total aged population. Similar disparities are found at the higher and lower ends of the wealth spectrum.

Poverty

Projected poverty among the AIAN population is far higher than that for the total population. The proportion of the AIAN population projected to be living in poverty—10.9 percent—is more than twice that of the whole population (4.7 percent). Focusing on "near poverty," meaning income not exceeding 150 percent of the poverty level, the same pattern appears. Around one-fifth (20.1 percent) of the AIAN population is projected to have income at or below 150 percent of the poverty threshold. The comparable figure for the total population is 9.9 percent.

Conclusion

MINT5 projections indicate that AIANs aged 62 or older in 2030 will have substantially poorer health and lower levels of economic well-being than the aged population at large. The projected relative vulnerability of this group is consistent with many of the patterns seen in current data comparing AIANs with the overall population.

The elderly AIAN group consistently fares worse than the total population in the health and economic characteristics examined herein. For example, the share of the AIAN population aged 62–67 reporting health problems that prevent work is more than double the total population figure. These types of impairments, coupled with the effects of sociodemographic characteristics such as lower educational attainment, may contribute to the differences in income and wealth between the two populations. Per capita income and per capita wealth figures are far lower for the elderly AIAN population in 2030 than they are for the total population, and projected poverty rates reflect these differences.

The AIAN population is varied, and future research could further examine subsets within this larger category to create a more nuanced picture of the challenges the group faces throughout life—and particularly in old age. Additional research in this topic area could help inform policymakers seeking to improve the retirement security of vulnerable populations.

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