Notes and Brief Reports

Women Social Security Beneficiaries Aged 62 or Older, 1960–85[*]

During the past half century, the number of women in the labor force has increased at a substantially higher rate than the number of working age women (table 1). In 1930, 10 million women workers represented only 24 percent of all women and 22 percent of the total labor force. By 1955, the number of women workers had doubled and women represented almost one-third of the work force. In 1985, more than 50 million women were in the labor force and they accounted for 55 percent of all women and 44 percent of the total work force. This note examines the effects of the increased labor-force participation on the types of social security benefits received by women aged 62 or older.[1]

Benefit Entitlement

In 1985, 18.4 million women aged 62 or older received social security benefits. These women were eligible for benefits generally in one of three ways: (1) Solely as wives or widows, (2) solely as retired or disabled workers, or (3) as dually entitled beneficiaries. About 7.6 million women were entitled to benefits solely as wives or widows of workers (table 2). These women usually had not worked long enough in covered employment to qualify for social security benefits on their own earnings record.[2] They are entitled to benefits based on their husband's earnings and are classified and counted as wives or widows.

A total of 10.8 million women aged 62 or older were classified as retired or disabled workers. Of this number, about 7.1 million were entitled solely as workers. These women have entitlement on the basis of their own earnings and their benefits usually exceed any benefits to which they may be entitled on their spouse's earnings record, if they are or were married. The remaining 3.7 million women, called dually entitled beneficiaries, received benefits on the basis of their own and their spouse's earnings records. These women are entitled to a benefit based on their own earnings, but it is less than their wife's or

widow's benefit. They receive their worker benefit plus the difference between that amount and the benefit to which they would be entitled as a wife or widow. They cannot receive both the full worker benefit and the full wife's or widow's benefit. Women who are solely entitled as workers, and those who are dually entitled, are classified and counted as workers.[3]

To receive a retired-worker benefit, a person must be fully insured—that is, he or she must have sufficient quarters of coverage. Quarters of coverage are based on a worker's annual earnings in covered employment. In 1985, a worker was credited with one quarter of coverage, up to a maximum of four, for each $410 in covered earnings. Since 1978, the amount of earnings required for a quarter of coverage has been adjusted annually, based on increases in average wages. Before 1978, a wage and salary worker usually acquired a quarter of coverage by earning $50 or more in covered employment in a calendar quarter.

A person is fully insured if he or she has 1 quarter of coverage (acquired at any time after 1936) for each year after 1950 (or the year in which he or she reaches age 21, if later), and before the year in which he or she reaches age 62.[4] A 62-year-old woman in 1985 needed 34 quarters of coverage, while a woman age 62 in 1960 needed only 9 quarters.

Beneficiary Experience, 1960–85

As a result of their increased labor-force participation, the number of women entitled to benefits on their own earnings record has increased substantially from 1960 to 1985. In 1960, 57 percent of the 6.6 million women beneficiaries aged 62 or older were entitled to benefits solely as wives or widows and 43 percent were entitled as retired or disabled workers (table 2). By 1970, benefits for women in this age group were divided equally between the two categories. In 1985, 59 percent of the 18.4 million women receiving benefits were entitled as workers and 41 percent were entitled solely as wives or widows.

Changes in the types of benefits received are reflected in

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[1] The benefit data are derived from the Social Security Administration's administrative files. (See Technical Note.)

[2] In certain cases, persons who are insured as workers on their own earnings record and who are also eligible for a secondary benefit are not required to file for the worker's benefit.

[3] An additional 86,000 women aged 62 or older received benefits other than those mentioned above. About 9,000 received benefits as surviving parents of deceased workers and about 46,000 as disabled adults who are the children of retired or deceased workers. In addition, 31,500 women who attained aged 72 before 1970 and who do not qualify for a regular social security benefit received "special age-72" benefits, which are financed mainly from general revenues.

[4] For men attaining age 62 before 1975, the quarters of coverage requirement was higher.

the 1985 age distribution of women aged 65 or older. Older women received benefits solely as wives or widows more frequently: 46 percent of those aged 80 or older, compared with 39 percent aged 65–74 (table 3).

Although many more women have worked long enough in covered employment to qualify for a benefit based on their own earnings record, the amount of that benefit is often lower than the amount they would receive as a wife or widow. The increase in the number of retired workers has been accompanied by a substantial rise in the proportion of that group that is dually entitled. In 1960, only 11 percent were dually entitled, compared with 21 percent in 1975 and 35 percent in 1985 (table 2). The proportion of women entitled solely as workers remained fairly constant between 1960 and 1985, while the proportion entitled solely as wives declined dramatically—from 33 percent to 16 percent (table 4).

Benefit Levels

Social security benefits are based on a worker's primary insurance amount (PIA), which is determined by earnings in covered employment averaged over a working lifetime. The full PIA is payable to a retired worker who begins to receive benefits at age 65 or to a disabled worker at any age who has never received a reduced retirement benefit. Wives of retired and disabled workers receive up to 50 percent of the worker's PIA. Widows receive up to 100 percent, plus any amount the deceased worker was entitled to because of delayed retirement credits. Benefits are payable to retired workers as early as age 62, but the amount is reduced by five-ninths of 1 percent for each month of entitlement before age 65. Workers who postpone retirement beyond age 65 may receive increased benefits under the delayed retirement credit provision. The monthly amount payable to dually entitled retired workers generally includes any benefit payable as a spouse or a survivor.

As a result of lower earnings and more intermittent participation by women in the work force, relatively more women than men retired workers had low PIA's. In 1985, 10 percent of the men and 36 percent of the women had PIA's of less than $300 (table 5). PIA's for dually entitled women were much lower: 63 percent had PIA's of less than $300. As can be seen in table 6, the average PIA in 1985 for all women retired workers ($387) was 67 percent of the average PIA for men ($578). During the period 1965–74, the ratio of average PIA's for women to those of men was 76–77 percent. This ratio has declined steadily since 1975.

This decline may be partly related to the longer computation period required for newly eligible retired-worker beneficiaries. The computation period is the number of years over which earnings are averaged, generally, the number of years after 1950 up to the attainment of age 62, minus 5 years. For women attaining age 62 in 1985, earn-

ings would be averaged over 29 years. The computation period was shorter for women becoming eligible in earlier years, and as a result, they could exclude a higher proportion of years with low or zero earnings. Another related factor appears to be the sharp increases in maximum earnings creditable for social security benefits—from $7,800 in 1970, to $16,500 in 1977, to $39,600 in 1985. These increases enabled many men to include more of their earnings in the benefit computation. In 1970, 62 percent of all male workers in covered employment had total earnings below the maximum creditable amount, compared with 90 percent in 1984. During the same period, the percentage of women workers with earnings below the maximum creditable amount increased from 93 percent to 99 percent.

Monthly benefit amounts are affected by reductions for early retirement and additional benefits payable resulting from dual entitlement. In 1985, monthly benefits to women retired workers averaged $412—77 percent of the amount payable to men. During the period 1965–72, the ratio of benefits for women to those for men was about 76–78 percent. This ratio increased to about 80 percent during the mid-1970's when legislation first permitted widows to receive up to 100 percent of their deceased spouse's PIA. It has declined slowly since then, to 77 percent.

Among women who were entitled to reduced benefits in 1985, the increases resulting from dual entitlement exceeded the effects of the reductions for early retirement. Monthly benefits averaged higher—$372—than PIA's—$356 (table 7). Among men retired workers, of whom relatively few are dually entitled, monthly benefits for those with reduced benefits averaged $480 and PIA's $550.

Many dually entitled women retired workers received

Table 1.—Number of women aged 16 or older and number and percent of those in the labor force, 1930–85

[Numbers in millions]

Year[1]	Total number[2]	In labor force		
		Number	Percent of—	
			All women	Total labor force
1930[3]	44.1	10.4	24	22
1940	47.7	13.8	29	25
1950	54.3	18.4	34	30
1955	57.6	20.5	36	32
1960	61.6	23.2	38	33
1965	66.7	26.2	39	35
1970	72.8	31.5	43	38
1975	80.9	37.5	46	40
1980	88.3	45.5	52	43
1985	93.7	51.1	55	44
Percentage increase, 1930–85	112	391	...	...

[1]For 1930, data are for April; for 1940, data are for March; for 1950–85, data are annual averages.
[2]Noninstitutionalized population.
[3]Aged 14 or older.
Source: Bureau of Labor Statistics, Department of Labor, **Employment and Earnings**, January 1986, page 153, and Women's Bureau, Department of Labor, **1975 Handbook on Women Workers** (Bulletin 297), 1975, page 11.

a substantial wife's or widow's benefit in addition to their worker benefit. About three-quarters of those dually entitled as widows and about four-tenths of wives received additional benefits of $100 or more. Also, almost three-tenths of the dually entitled widows received an additional $300 or more (table 8). As a result of the additional wife's or widow's amounts, benefits for dually entitled women were similar to those for all women retired workers. About 30 percent of all women and dually entitled women had monthly benefits of less than $300, and about 13 percent of the total and of dually entitled women had benefits of $600 or more (table 9).

Table 2.—Number and percent of women beneficiaries aged 62 or older, with benefits in current-payment status, by type of entitlement, 1960–85[1]

[Numbers in thousands]

At end of year	Total number	Entitlement based on—										
		Own earnings record						Husband's or child's earnings record				
		Number	Percent of total	Entitled as—				Number	Percent of total	Entitled as—		
				Retired worker			Disabled worker			Wife[2]	Widow[3]	Parent
				Number	Number dually entitled	Percent of retired workers dually entitled						
1960	6,619	2,866	43.3	2,845	303	10.6	21	3,753	56.7	2,174	1,546	33
1965	9,143	4,327	47.3	4,276	612	14.3	51	4,816	52.7	2,475	2,308	33
1970	11,374	5,753	50.6	5,661	967	17.0	92	5,621	49.4	2,546	3,048	27
1975	14,010	7,586	54.1	7,424	1,660	21.3	162	6,424	45.9	2,745	3,659	20
1980	16,350	9,304	56.9	9,101	2,594	28.5	203	7,046	43.1	2,884	4,148	14
1981	16,781	9,629	57.4	9,428	(4)	(4)	201	7,152	42.6	2,905	4,234	13
1982	17,199	9,932	57.7	9,733	3,032	31.1	199	7,267	42.3	2,931	4,324	12
1983	17,664	10,255	58.1	10,060	3,268	32.5	195	7,409	41.9	2,978	4,420	11
1984	18,033	10,527	58.4	10,334	3,479	33.7	193	7,506	41.6	2,996	4,500	10
1985	18,408	10,805	58.7	10,615	3,681	34.7	190	7,603	41.3	3,014	4,580	9
Percentage change, 1960–85	178	277	...	273	1,115	...	805	103	...	39	19	−73

[1]Excludes special age-72 beneficiaries and adults receiving benefits because of childhood disability.
[2]Wives of retired and disabled workers.
[3]Includes mothers and disabled widows.
[4]Data not available.

Table 3.—Types of benefits received by women aged 65 or older: Number and percentage distribution by age, in current-payment status, at end of 1985

[Based on 10-percent sample]

Type of benefit	Total	65–69	70–74	75–79	80–84	85 or older
	Number (in thousands)					
Total number	15,986	4,649	4,164	3,225	2,153	1,795
Entitled as retired worker	9,426	2,841	2,537	1,899	1,213	936
Worker only	6,155	1,849	1,672	1,219	773	642
Dually entitled[1][2]	3,271	992	866	680	440	294
Wife's benefit	1,211	632	350	158	55	16
Widow's benefit	2,059	360	515	521	385	278
Entitled as auxiliary only[2]	6,560	1,807	1,627	1,326	941	859
Wife's benefit	2,484	969	758	464	211	81
Widow's benefit	4,076	838	868	861	729	778
	Percentage distribution					
Total percent	100	100	100	100	100	100
Entitled as retired worker	59	61	61	58	56	52
Worker only	39	40	40	37	36	36
Dually entitled[1][2]	20	21	21	21	20	16
Wife's benefit	7	13	9	5	2	1
Widow's benefit	13	8	12	16	18	15
Entitled as auxiliary only[2]	41	39	39	41	44	48
Wife's benefit	16	21	18	14	10	5
Widow's benefit	25	18	21	27	34	43

[1]Based on 100-percent data.
[2]Includes women receiving parent's benefits.

Table 4.—Types of benefits received by women aged 62 or older, 1960–85

Benefits received	1960	1970	1975	1980	1985
Number receiving social security (in thousands)	6,619	11,374	14,010	16,350	18,408
Total percent	100	100	100	100	100
Entitled as worker	43	51	54	57	59
Worker only	38	42	42	41	39
Dually entitled[1]	5	9	12	16	20
Wife's benefit	2	3	4	6	9
Widow's benefit	2	5	7	10	11
Entitled as auxiliary only[1]	57	49	46	43	41
Wife's benefits	33	22	20	18	16
Widow's benefits	23	27	26	25	25

[1]Includes women receiving parent's benefits.

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 1985

[Based on 1-percent sample]

Primary insurance amount	Total	Men	Women Total	Women With dual entitlement
Total number	22,424,500	11,797,300	10,627,200	3,651,400
Total percent	100.0	100.0	100.0	100.0
Less than $200.00	3.5	1.2	6.0	11.2
$200.00–$249.90	11.8	4.8	19.6	35.1
$250.00–$299.90	7.2	3.9	10.8	16.6
$300.00–$349.90	7.7	4.6	11.1	12.9
$350.00–$399.90	7.8	5.2	10.9	9.1
$400.00–$449.90	6.8	5.0	8.8	5.5
$450.00–$499.90	7.3	6.5	8.2	4.3
$500.00–$549.90	8.0	8.9	6.8	2.5
$550.00–$599.90	8.2	10.4	5.8	1.5
$600.00–$649.90	7.9	11.2	4.3	
$650.00–$699.90	7.1	10.9	2.9	
$700.00–$749.90	6.8	11.4	1.8	
$750.00–$799.90	3.8	6.2	1.1	1.3
$800.00–$849.90	2.6	4.2	.8	
$850.00–$899.90	1.4	2.2	.5	
$900.00 or more	2.1	3.4	.6	

Table 7.—Number of beneficiaries aged 62 or older with benefits in current-payment status, by type of benefit and sex, at end of 1985[1]

Type of benefit and sex	Number	Average Primary insurance amount[2]	Average Monthly benefit amount
Retired workers and dependents	25,405,355	...	...
Retired workers	22,432,103	$487.53	$478.62
Men	11,817,087	578.14	538.37
Benefits reduced	7,165,752	549.52	480.48
Benefits not reduced	4,651,335	622.24	627.57
Women	10,615,016	386.66	412.09
Benefits reduced	7,552,730	356.21	372.08
Benefits not reduced	3,062,286	461.75	510.76
Wives	2,937,638	596.43	250.15
Husbands	35,614	365.14	169.43
Disabled workers and dependents	639,805	...	...
Disabled workers	561,612	500.69	499.03
Men	371,750	562.59	560.48
Women	189,862	379.50	378.69
Wives	76,628	605.82	164.55
Husbands	1,565	407.61	102.33
Survivors of deceased workers	4,615,606	...	...
Women	4,589,193	...	...
Nondisabled widows	4,536,577	491.77	435.20
Disabled widows	34,820	510.84	316.57
Widowed mothers	8,770	491.47	356.67
Parents	9,026	470.16	379.77
Men	26,413	...	...
Nondisabled widowers	25,430	400.65	327.62
Disabled widowers	306	425.23	200.60
Widowed fathers	162	362.27	243.22
Parents	515	481.46	351.25

[1]Excludes 31,513 special age-72 beneficiaries (of whom 28,717 are women) and 45,711 disabled adult children (of whom 25,525 are women).

[2]Primary insurance amounts for spouses and survivors are those of the worker on whose record they are entitled.

Table 6.—Retired workers in current-payment status: Number, average monthly benefit amount, and average primary insurance amount, by sex, 1960–85

At end of year	Number of beneficiaries (in thousands)			Average monthly benefit amount			Average primary insurance amount[1]		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
1960	8,061	5,217	2,845	$74.00	$81.90	$59.70	$74.50	$81.90	$60.90
1965	11,101	6,825	4,276	83.90	92.60	70.10	86.00	94.80	71.80
1970	13,349	7,688	5,661	118.10	130.50	101.20	122.00	135.40	103.60
1975	16,588	9,164	7,424	207.20	227.70	181.80	211.10	237.70	178.30
1980	19,562	10,461	9,101	341.40	380.20	296.80	345.60	398.90	284.30
1981	20,195	10,767	9,428	386.00	431.10	334.50	393.70	457.50	320.90
1982	20,763	11,030	9,733	419.30	469.60	362.20	428.10	500.40	346.20
1983	21,419	11,358	10,060	440.80	495.00	379.60	449.60	528.50	360.60
1984	21,906	11,573	10,334	460.60	517.80	396.50	469.50	554.40	374.50
1985	22,432	11,817	10,615	478.60	538.40	412.10	487.50	578.10	386.70

[1]Data in this table are based on all records, except for 1960 and 1965 primary insurance amounts which are based on 5-percent sample. For 1968–80, transitionally insured beneficiaries are excluded from the calculation of average primary insurance amounts.

Table 8.—Number and percentage distribution of dually entitled women retired workers with benefits in current-payment status, by amount of wife's or widow's benefit at end of 1985

[Based on 1-percent sample]

Amount of benefit	Total	Dually entitled as—	
		Wives	Widows
Total number	¹3,651,400	1,559,100	2,087,900
Total percent..........	100.0	100.0	100.0
Less than $50.00	17.8	26.7	11.1
$50.00–$99.90...............	20.3	30.1	12.9
$100.00–$149.90.............	16.8	21.5	13.3
$150.00–$199.90.............	13.1	13.6	12.6
$200.00–$249.90.............	9.1	5.4	11.8
$250.00–$299.90.............	6.9	1.6	10.9
$300.00–$349.90.............	5.9		9.8
$350.00–$399.90.............	4.0		6.8
$400.00–$449.90.............	2.3	1.0	3.9
$450.00–$499.90.............	1.5		2.6
$500.00 or more............	2.4		4.2

¹Includes a small number of women dually entitled to other types of benefits.

Table 9.—Number and percentage distribution of retired-worker beneficiaries with benefits in current-payment status, by monthly benefit amount and sex, at end of 1985

[Based on 1-percent sample]

Monthly benefit amount	Total	Men	Women	
			Total	With dual entitlement
Total number.......	22,424,500	11,797,300	10,627,200	3,651,400
Total percent	100.0	100.0	100.0	100.0
Less than $200.00	5.6	3.7	7.6	3.4
$200.00–$249.90.........	6.6	4.3	9.2	8.9
$250.00–$299.90.........	8.4	4.5	12.8	17.4
$300.00–$349.90.........	8.6	5.2	12.3	12.7
$350.00–$399.90.........	7.9	5.8	10.2	8.0
$400.00–$449.90.........	7.6	6.5	8.8	6.9
$450.00–$499.90.........	9.3	9.2	9.4	9.6
$500.00–$549.90.........	11.1	12.5	9.6	12.3
$550.00–$599.90.........	10.8	14.2	6.9	8.0
$600.00–$649.90.........	7.6	10.2	4.8	5.4
$650.00–$699.90.........	4.9	6.7	2.9	2.9
$700.00–$749.90.........	3.3	4.8	1.7	1.5
$750.00–$799.90.........	2.5	3.7	1.2	1.1
$800.00–$849.90.........	2.1	3.1	.9	.8
$850.00–$899.90.........	1.3	2.0	.6	.4
$900.00 or more	2.4	3.7	1.0	.7

Technical Note

The benefit data presented in this note were derived from the Social Security Administration's Master Beneficiary Record (MBR). Data shown in tables 2, 4, 6, and 7 are based on a compilation of all records. Data shown in table 3 are based on a 10-percent sample and data shown in tables 5, 8, and 9 are based on a 1-percent sample.

Estimates based on sample data—in this case, from the MBR—may differ from the figures that would have been obtained had all, rather than specified samples, of the records been used. These differences are termed sampling variability. The standard error is a measure of sampling variability—that is, the variation that occurs by chance because a sample was used. The standard error is used to describe confidence intervals. The confidence interval represents the extent to which the sample results can be relied upon to describe the results that would occur if the entire population (universe) had been used for data compilation rather than the sample.

In about 68 percent of all possible probability samples with the same selection criteria, the universe value would be included in the interval from one standard error below to one standard error above the sample estimate. Similarly, about 95 percent of all possible samples will give estimates within two standard errors, and about 99 percent will give estimates within two and one-half standard errors.

Tables A, B, and C provide approximations of standard errors of estimates shown in this note. Table A presents approximate standard errors for the estimated **number** of beneficiaries from both the 1-percent and 10-percent sample files. Table B presents approximations of standard errors for the estimated **percentage** of persons from the 1-percent file. Similar information from the 10-percent file is shown in Table C. Linear interpolation may be used to obtain values not specifically shown.

The reliability of an estimated percentage depends on both the size of the percentage and the size of the number on which the percentage is based. The standard errors are expressed as percentage points and the bases are shown as inflated to the actual size of the universe from which the sample was drawn. To illustrate, table 8 indicates that 13.6 percent of the 1,559,100 women dually entitled as wives received monthly wife's benefits of $150.00 to $199.90. For a base of 1,000,000, table B shows a standard error of 0.3 percent for an estimate of 10 percent and 0.5 percent for an estimate of 25 percent. For a base of 5,000,000, the standard errors for the same estimates are 0.1 percent and 0.2 percent, respectively. Because the figures in table B do not cover the exact estimates that are being evaluated, it is

Table A.—Approximations of standard errors of estimated numbers of persons

1-percent file		10-percent file	
Size of estimate (inflated)	Standard error	Size of estimate (inflated)	Standard error
500	250	100	30
1,000.................	300	500	70
2,500.................	500	1,000.................	100
5,000.................	800	5,000.................	225
7,500.................	900	10,000................	300
10,000................	1,100	50,000................	700
25,000................	1,700	100,000..............	1,000
50,000................	2,400	500,000..............	2,200
75,000................	3,000	1,000,000............	3,200
100,000..............	3,400	2,000,000............	4,300
250,000..............	5,400	3,000,000............	5,300
500,000..............	7,800	5,000,000............	6,500
750,000..............	9,600	10,000,000...........	8,500
1,000,000............	11,100	20,000,000...........	9,300
5,000,000............	25,800		
10,000,000...........	36,900		
25,000,000...........	57,700		
50,000,000...........	76,100		
75,000,000...........	82,900		

necessary to interpolate between the values shown in that table. This interpolation results in a standard error of 0.3 percent. The limits for a 95-percent confidence interval (two standard errors) are therefore 13.6 percent plus or minus 0.6 percent, or 13.0 and 14.2 percent, respectively. Thus, the procedure for defining 95-percent confidence in-

tervals as the estimate plus or minus two standard errors—in this case, 13.6 percent plus or minus 0.6 percent—produces intervals having a 95-percent chance of containing the actual population value of dually entitled women receiving wife's benefits of $150.00 to $199.90.

Table B.—Approximations of standard errors of estimated percentages of persons from the 1-percent file

Size of base (inflated)	Estimated percentage				
	2 or 98	5 or 95	10 or 90	25 or 75	50
1,000	4.7	7.3	10.1	14.5	16.8
10,000	1.5	2.3	3.2	4.6	5.3
50,000	.7	1.0	1.4	2.1	2.4
100,000	.5	.7	1.0	1.5	1.7
1,000,000	.1	.2	.3	.5	.5
5,000,000	.1	.1	.1	.2	.2
10,000,000	(1)	.1	.1	.2	.2
50,000,000	(1)	(1)	(1)	.1	.1

[1]Less than 0.05 percent.

Table C.—Approximations of standard errors of estimated percentages of persons from the 10-percent file

Size of base (inflated)	Estimated percentage				
	2 or 98	5 or 95	10 or 90	25 or 75	50
500	1.9	3.0	4.1	5.9	6.8
1,000	1.3	2.1	2.9	4.1	4.8
2,500	.8	1.3	1.8	2.6	3.0
5,000	.6	.9	1.3	1.8	2.1
10,000	.4	.6	.9	1.3	1.5
50,000	.2	.3	.4	.6	.7
100,000	.1	.2	.3	.4	.5
1,000,000	(1)	.1	.1	.1	.2
10,000,000	(1)	(1)	(1)	.1	.1
50,000,000	(1)	(1)	(1)	(1)	(1)

[1]Less than 0.05 percent.