

AARP Public Policy Institute

From Work to Retirement:
Tracking Changes in Women's Poverty Status

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Research Report



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by
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Executive Summary

Background

Poverty rates among older Americans have declined substantially over the past several decades. Elderly women, however, are more likely to be poor than elderly men, and the risk of poverty increases with age. Previous research shows that marital status plays an important role for older women's economic well-being, as indicated by a higher rate of poverty among widows than the married. With increases in women's labor force participation, employment also bears significance for older women's income security, since it directly affects key sources of retirement income such as pensions and Social Security. Given greater risk of poverty in old age for women than for men, it is important to understand how various life circumstances affect women's economic well-being as they enter the retirement period.

Purpose

This study examines the extent and possible causes of women's poverty as they move from midlife into their retirement years. Using longitudinal data collected from a group of women over three decades, the study traces how changes in women's major life course characteristics—such as marital status, labor force status, and health status—fluence the risk of poverty as they move to pre-retirement, early retirement, and then to late retirement years. We pay special attention to differences between white and African-American women in the way these characteristics underlie their poverty status. Tracking women's economic status over time helps us understand whether poverty during retirement years is an extension of disadvantages from earlier life circumstances or whether it is caused more by specific events at older ages such as widowhood or labor force withdrawals.

Methodology

The study uses data from the National Longitudinal Survey (NLS) of Mature Women, which is a unique data source that tracked a large number of women from midlife (ages 30-44 in 1967) until they reached retirement years (ages 64-78 in 2001). Respondents were surveyed periodically since 1967, and the survey collected data on a variety of topics including marital status, employment, health, income, and assets throughout a near 35-year period.

Empirical analyses of the study consist of four major components. First, we provide an overview of white and African-American women's changing economic status from 1967 to 2001 based on poverty and near-poverty rates. Second, we examine how women's marital, employment, and health status are associated with poverty status as they move from their midlife to retirement years. The descriptive analysis in this section is done for three periods: 1967-1982, 1982-1992, and 1992-2001. The multivariate analysis also assesses the relative importance of several life course factors on women's poverty during retirement in 2001. Third, using data on the past experience of poverty over three decades, we examine to what extent women's old-age poverty reflects their disadvantaged economic circumstances over the life cycle. Finally, we analyze changes in women's income sources over time to assess which income sources or the lack thereof play a critical role in women's economic well-being during retirement years.

Principal Findings

For the NLS women who were in their midlife (ages 30-44) in 1967, the overall rate of poverty decreased when they reached pre-retirement years (ages 45-59) in 1982. As they entered pre- or early retirement years (ages 55-69) in 1992, however, the risk of poverty began to increase and continued to increase when they reached later retirement years (ages 64-78) in 2001. This life cycle pattern of poverty was similar between white and African-American women, although the poverty rate was much higher for African-American women than for white women over the life course. In 2001 when most NLS women were in retirement ages, the poverty rate was three times higher for African-American women (42 percent) than for white women (14 percent). For both white and African-American women, married women were significantly less likely to be poor over the life course than women who were unmarried—those who were widowed, divorced, or never married.

During the period of 1967-1982 when the NLS women were moving into the pre-retirement years (ages 45-59 in 1982), African-American women overall showed a greater decline in poverty than white women but their poverty rate in 1982 was still more than four times higher than the rate for white women (29 percent versus 7 percent). Life course characteristics differed considerably between the two groups: African-American women were much less likely than white women to be married and they were also more likely to become widowed, divorced, or separated during these years. Despite the overall decline in poverty during this period, both white and African-American women who became unmarried, left the labor force, or experienced poor health were at greater risk of poverty than others.

During the period of 1982-1992 when many of the NLS women were entering the early retirement years (ages 55-69 in 1992), both white and African-American women experienced increased risk of poverty. Only those who remained married, continued to be employed, or remained in good health maintained relatively low rates of poverty, especially among white women. Among African-American women, the risk of poverty increased more substantially, except for those who continued to be employed. Many white and African-American women by 1992 left the labor force; only a little over one-third of women from both racial groups still remained in the labor force by this time.

During the period of 1992-2001 when all of the NLS women were moving into either early or late retirement years (ages 64-78 in 2001), poverty rates increased overall but the increase was much steeper for older retirees than for younger retirees, especially among white women. Although African-American women's poverty rate was still much higher than white women's, white women faced a greater rate of increases in poverty: the poverty rate among white women nearly doubled between 1992 and 2001, from 8 percent to 15 percent. Poverty rates increased for all marital status groups during this period, but the rate of increase was greater for widows, especially for those who became widowed during retirement years between 1992 and 2001. Only a small group of women were still engaged in employment and they maintained relatively lower rates of poverty than others. The risk of poverty increased overall during these years, partly because many more women became poor and partly because many women who were already poor remained poor. This illustrates decreasing chances of escaping poverty with age, reflecting the lessening possibility of earning income through employment as well as the increasing likelihood of widowhood for married women.

Multivariate analyses in the study estimated the likelihood of living in poverty during retirement in 2001, separately by race and by marital status in 1992. The results show that changes in marital status—becoming widowed or divorced—between 1992 and 2001 are important predictors of poverty in retirement for married white and African-American women alike, even when controlling for basic demographic and other characteristics. Among married white women, withdrawing from the labor force by 2001 also significantly increased the likelihood of poverty while being employed decreased the risk of poverty. As for women who were unmarried in both years of 1992 and 2001—women who were likely to rely mostly on their own earnings—withdrawing from the labor force again significantly increased the likelihood of poverty in 2001, especially so among African-American women, when all other characteristics were equal. Changes in health status were also significant predictors of poverty in 2001 among unmarried women.

Analysis of the relationship between old-age poverty and the past history of poverty shows that both white and African-American women who are poor in their retirement are significantly more likely to have encountered poverty prior to retirement than women who are not poor in old age. Yet, nearly two-thirds of white women who are poor in their old age have not been poor in the earlier years examined, demonstrating an increasing risk or a newly emerging risk of poverty for many white women during retirement. Given substantially higher prevalence of poverty among African-American women over the earlier life course, old-age poverty for them represents more of persisting life cycle disadvantages compared with white women.

As women move from their midlife to retirement years, the proportion of women with earnings decline while those with Social Security or pension income increase. Prior to retirement, one's own earnings constituted the most common source of income for the NLS women in our study, especially for African-American women who had more extensive employment experiences. During retirement years, Social Security is the major source of income for both white and African-American women, but women who live in poverty are less likely to receive Social Security benefits. Compared with women living in poverty during retirement years, women who are above poverty are also more likely to have income from assets and pensions. Yet, compared with white women, African-American women are substantially less likely to have income from assets, whether they live in poverty or not. Importantly, having pension income plays a critical role in preventing African-American women from slipping into poverty during retirement years, more so than among white women. Having some type of income-generating employment during retirement years is also crucial for keeping many women out of poverty, similarly for whites and African Americans.

Conclusion

By using data from a longitudinal survey, the study traced the extent and possible causes of white and African-American women's poverty from midlife to retirement years. The results in this study indicate that becoming widows, withdrawing from the labor force, and deteriorating health are all important factors underlying women's poverty in old age. The women in the study were born between 1923 and 1937, and most were retired by 2001. These are the mothers of the baby-boom generation, most of whom left the labor while their children were young but returned to work as their children grew older.

Compared to the older women described in this study, younger generations of women will have quite different marriage patterns and employment experiences. Younger women will have more continuous work experience by the time they retire. Retirement income based on women's own employment and earnings is likely to be even more important for the economic well-being of the future generation of women retirees, given dramatic changes that occurred in women's marriage patterns—high rates of divorce, re-marriage, and being never-married. While marriage for older cohorts of women has been crucial in protecting themselves against poverty, marriage is not likely to play such a large role for younger cohorts of women who have substantially different marital histories.

Given the importance of earnings in protecting women from poverty during retirement years, it will be important for policy makers and researchers to examine the extent and kinds of barriers facing older women workers. Some women may be able to work only part time, but employers may be unwilling or unable to offer part-time jobs that older women can do. Not all women, however, will be able to work past retirement ages, especially those who have been employed in low-paying, physically-strenuous jobs. For these women, increases in retirement ages for Social Security benefits will in fact be benefit cuts; any such changes should be accompanied by readily available old-age disability benefits as well as policy effort for solving unemployment problems among older workers.

Although the majority of women retirees receive Social Security benefits, some women either receive no benefits or have benefits too low to keep them from poverty. In the future, many more women retirees are likely to derive their benefits based on their own employment and earnings histories rather than based on their husbands' histories. Yet, the persistent gender wage gap may lead to Social Security benefits and other savings too low to support a decent retirement for women. Moreover, despite increases in pension coverage, the on-going changes in employer-provided pensions—such as increases in 401(k) plans and the prevalence of lump-sum distributions prior to retirement—generate rather uncertain future prospects of pension income for many women. It is important to improve the Social Security system and employer-provided pensions in ways that can improve the financial security of future women retirees. Without policy measures providing improved bases for women's economic well-being over their life course, even greater economic vulnerabilities could face women in old age.

Introduction

Over the past several decades, the poverty rate among older Americans has declined substantially. The poverty rate among the population aged 65 and older was nearly 30 percent in 1966, but it decreased to around 10 percent in 2000 (Proctor and Dalaker 2002). This improvement in economic well-being for the elderly has been attributed to general economic growth and to changes in retirement policies during the 1970s and the early 1980s that included inflation-adjusted benefits in Social Security, the introduction of Supplemental Security Income, and the expansion of pension coverage (e.g., Burkhauser, Butler, and Holden 1991; Holden 1989; Radner 1995).

These improvements among the elderly, however, have not been equally shared by women and men. Elderly women are almost twice as likely to be poor as elderly men, and the risk of poverty increases as women age. The greater risk of poverty for older women is closely associated with marital status. Because of longer life expectancy for women than men, women are more likely to experience the loss of their spouse and live alone in old age. Nearly 40 percent of all women 65 and older between 1998 and 2000 were unmarried and living alone, compared with only 16 percent of men 65 and older (Lee and Shaw 2003). While poverty rates among the elderly are relatively low for married couples, they are significantly higher for unmarried women—those who are widowed, divorced, or never-married.

Much of research on older women's poverty shows that marital status plays a key role for women's economic well-being in old age, especially for women of older cohorts, since their financial security has often been built through their husband's employment rather than through their own employment. As a result, widowhood (or divorce) brings about financial vulnerabilities for many women with a loss of husbands' earnings, a reduction in income from Social Security or husbands' pensions, or even the complete loss of husbands' pensions (Burkhauser, Holden, and Feaster 1988; Holden and Zick 1997). While research usually focuses on marital circumstances of women, increased numbers of women have entered the labor force for the past several decades. Women's employment has important consequences for their income security in old age, as it can directly affect key sources of retirement income—pensions and Social Security—as well as other sources of income. In view of traditionally higher rates of employment among African-American than white women, but lower rates of marriage among African-American women, some studies show that marriage has been more crucial for the financial security of white women while employment has been so for African-American women (Willson 2003; Willson and Hardy 2002).

In order to better understand women's risk of poverty in old age, this report examines the extent and possible causes of women's poverty as they move from midlife into their retirement years. Using longitudinal data collected from a group of women over three decades (from 1967 to 2001), we trace how women's major life course characteristics—such as marital status, labor force status, and health status—fluence the risk of poverty as they move to pre-retirement, early retirement, and then to late retirement years. In doing so, we pay close attention to whether these influences work similarly or differently between white and African-American women. We also examine changes in women's income sources over time to assess which income sources, or the lack thereof, play a critical role in determining women's economic well-being during the retirement period. Tracking women's economic

status over time in relation to key life course factors will help us better understand whether poverty during retirement years is an extension of disadvantages from earlier life circumstances (Choudhury and Leonesio 1997; Hurd and Wise 1989; Parsons 1995) or whether it is likely to be caused more by specific events at older ages such as widowhood or labor force withdrawals (Burkhauser et al. 1988; Burkhauser et al. 1991; Holden and Zick 1997). This understanding, in turn, is crucial for formulating social policies that can effectively reduce poverty among older women.

The report begins with a brief review of literature regarding older women's poverty in general. It is followed by an overview of the survey used in this study, the National Longitudinal Survey of Mature Women (NLS-MW), and the description of its basic demographic characteristics. We then turn to the presentation of empirical results that consist of the following main topics:

- Poverty and near poverty status by race and marital status, 1967-2001;
- Poverty dynamics over the three periods, 1967-1982, 1982-1992, and 1992-2001, by marital, labor force, and health status;
- Past prevalence of poverty and poverty status in old age; and
- Income sources over time by poverty status.

Literature Review

Despite substantial decreases in poverty among the elderly population since the 1960s, women still face a greater risk of poverty than men as they enter the retirement period. Yet, there is a great variation among elderly women by marital status. Women who are unmarried—widowed, divorced, or never-married—are far more likely to experience poverty than women who remain married. According to data from the March Current Population Survey in 2001, the poverty rate among women aged 65 and older in 2000 was 17 percent for the widowed, 22 percent for the divorced, and 23 percent for the never married, whereas the rate was only 5 percent for the married.¹ Although unmarried men similarly experience a higher poverty rate than their married counterparts, the poverty rate is higher for unmarried women than unmarried men. The poverty rate also varies by race, with elderly African-American women showing a much higher rate of poverty than elderly white women regardless of marital status: 26 percent for African-American women compared with 10 percent for white women overall.

The major sources of income for the elderly come from retirement programs, Social Security and employer-provided pensions, and many supplement their incomes from these programs with earnings and asset income. The access to and benefits from the retirement programs are closely tied to employment and earnings throughout the lifetime. For women, however, especially for older cohorts of women who lack labor market experience or have sporadic employment patterns, the access to these retirement benefits has been garnered primarily through their husbands (Willson and Hardy 2002). Income security for women in old age, therefore, has traditionally been determined in large part by their marital history, for example, through spousal benefits in Social Security.

¹ The rates are authors' calculations using data from the 2001 March Current Population Survey.

Because of the observed close association between marital status and poverty among elderly women, much research attention has been paid to widowhood as a major cause of poverty among older women. There are, however, somewhat differing perspectives as to why the risk of poverty is greater for widows in old age. Many studies using retirement data of the 1970s and 1980s show that widowhood itself brought precipitous declines in women's economic status, especially immediately following the death of their husbands (Burkhauser et al. 1991; Holden, Burkhauser, and Feaster 1988). The widows were likely to experience a large decline in income such as Social Security, pensions, and assets. The widows whose husbands had a pension (either single-life option or joint-and-survivor option), however, were far less likely to fall into poverty than those whose husbands did not, although poverty increased for both groups of widows during retirement years, more so than for married couples (Burkhauser et al. 1988). Even for women who became widowed in the early 1990s, Holden and Zick (1997) show that widowhood itself resulted in economic hardship for many, despite increases in women's own labor earnings and pension legislation of the 1980s that was aimed at protecting women against the loss of their husbands' pension income.

Other studies indicate that widowed households had less income and less wealth prior to widowhood than married households, and the widows who fell into poverty after the death of the husband were especially likely to have had limited resources before widowhood compared with widows who remained out of poverty (Hurd and Wise 1989; Zick and Smith 1991). Hurd and Wise (1989), for instance, show that even prior to widowhood, the families of poor widows had less wealth, lower savings, lower earnings of husbands, and poor health of husbands, compared with the families of both married women and non-poor widows. These studies emphasize the disadvantaged economic circumstances prior to widowhood rather than widowhood itself as a principal reason behind a higher risk of poverty among widows.

Economic circumstances at earlier life seem to be important not just for widows but for women in general. Choudhury and Leonesio (1997) find that women who were poor in early retirement ages (age 62-69) were likely to have experienced poverty throughout their adult lives. Others also show a high correlation of economic status between old age and earlier life among married couples and women in general (Burkhauser and Wilkinson 1983; Parsons 1995). Importantly, this correlation is shown to be especially high among African Americans (Moon 1984; Willson 2003).

The importance of earlier economic status for women's income security in old age suggests that women's own labor market participation and earnings can be critical. Women's increased employment experience and earnings will affect both Social Security benefits and employer-provided pensions, the two important sources of retirement income. Unlike men, however, pre-retirement work experience for women may not guarantee higher retirement income. For older cohorts of women in particular, their less than continuous work patterns may not necessarily increase the probability of receiving pension income in retirement unless participation requirements are met for vesting. Also, if married, their lower earnings relative to their husbands (or former husbands) may not yield much gain in Social Security benefits based on their own work records compared to spousal benefits (Holden 1989; Willson 2003).

Previous research indicates that women's own earnings to a great extent prevent poverty in old age, especially among widows (Holden and Zick 1997; Shaw and Yi 1997). According to Shaw and Yi's study (1997) of the New Beneficiary Survey 1981-1991, many women who had been widowed for some time (as well as divorced or separated) often became poor when they stopped working, as earnings played an important role in supplementing women's retirement income. Holden and Zick (1997) also show that earnings and pension income provide crucial financial protection against large declines in income upon widowhood. The importance of employment experience over the life course, however, seems to vary. Greater employment experience is associated with greater income growth or lower likelihood of poverty in old age in some studies (Choudhury and Leonesio 1997; Willson 2003), while others show that longer work histories, unless they are accompanied by pension benefits or high enough earnings, do not provide much protection for the retirement years (Shaw and Yi 1997).

The higher rate of poverty for elderly African-American women than for white women is attributed both to differences in marital patterns and to their relatively unfavorable labor market experience throughout their lifetimes (Holden 1989; Moon 1984; Willson and Hardy 2002). African-American women are more likely than white women to never marry or divorce, and less likely to remarry if divorced. Thus, they spend less of their lives married than white women, and are less likely to live with a spouse in old age (Cherlin 1992, cited in Willson and Hardy 2002). This marital pattern brings significant disadvantages for African-American women, for instance, with Social Security benefits, because they are less likely to be eligible for spousal benefits. Also, traditionally lower earnings for African-American men as well as for women do not necessarily provide better spousal benefits from marriage than from their own employment, even when they remain married (Willson and Hardy 2002). African-American women are also less likely to hold the kinds of jobs that offer pension coverage (Shaw and Hill 2002) and their relatively lower earnings during working years are likely to lead to lower levels of pension income in retirement, making them highly vulnerable to poverty in old age despite their work experience over the life course.

In addition to women's marital status and labor market experience, previous research also indicates a close association between health and poverty in old age. Many studies show that the health status of husbands over the lifetime is closely related to older women's poverty, because poor health limits economic activity, leads to lower earnings, and depletes already strained resources (e.g., Holden 1989; Hurd and Wise 1989; Shaw and Yi 1997). Women's own health has significant consequences, particularly at older ages, as the growing need for long-term care can bring serious threats to their financial security (Johnson et al. 2005; Shaw and Yi 1997; Willson 2003).

Based on previous research illustrating the importance of marital status, employment, and health in determining women's economic status in old age, the current study examines how each of these factors influences economic status over time among white and African-American women, by tracking their poverty status from midlife to the early retirement period and then to the later retirement years. Although many previous studies have examined the importance of these factors, most studies focused on economic status near the retirement period or relied on retrospective information for the influence of these factors from earlier life circumstances. Our study utilizes a unique longitudinal survey that followed a large group of women from middle age well into the later retirement period, collecting information on their labor market experiences, marital histories, and sources of income throughout the

life course. This enables us to assess how various life circumstances of women influence their economic status over time and the probability of poverty in old age. Next, we describe the survey used in our research and general characteristics of the survey sample.

Data

The study uses data from the National Longitudinal Survey of Mature Women (NLS-MW), which is a unique data source that tracks a large number of women from midlife until they reach retirement ages.² The NLS-MW is a nationally representative sample which began in 1967 with approximately 5,000 women who were born between 1923 and 1937 (aged 30 to 44 in 1967). Women in this age group are the mothers of the baby boom generation. They also represent the cohort of women who may not have planned to work outside the home, but many of whom drawn into the labor force after their children grew older.³

Respondents in the NLS-MW were surveyed periodically through 2003 when most of them were in their 60s and 70s. This report utilizes surveys up to 2001 when approximately 2,300 women remained in the sample, all in the ages of 64 to 78. Of the NLS-MW data available between 1967 and 2001, we focus particularly on the surveys in 1967, 1982, 1992, and 2001 to trace changing women's economic status from midlife through pre-retirement years up to early and later retirement years.⁴

The NLS-MW collected data on a variety of topics that include age, race, education, marital status, health, employment, income, and assets. For our main analysis of changes in women's economic status, we focus on a common measure of poverty status or the income-to-poverty ratio (IPR) that divides the total family income by the official poverty threshold which varies by year, age, and household composition.⁵ Family income in the NLS-MW is based on information on detailed income sources for respondents and their husbands, such as

² Choudhury and Leonesio (1997) and Parsons (1995) also used the NLS-MW data in their analysis of women's poverty dynamics. Their studies were limited to the early years of women's retirement period, with data up to the 1992 survey in the case of Choudhury and Leonesio (1997) and up to 1989 in Parsons (1995). The current study utilizes the NLS-MW data up to the 2001 survey which enable us to examine women's economic status more fully during their retirement years—not only the early period but also the later period of retirement.

³ Many studies have shown that this cohort of women was drawn into the labor force by the increased availability of clerical, professional, and managerial jobs open to women, the increasing acceptability of married women's employment, and the financial needs of growing families (Goldin 1990; McLaughlin et al. 1988; Shaw and O'Brien 1983).

⁴ These years were chosen because they represent widely-spaced full-interview years. Many of the intervening years are based on shorter telephone interviews with fewer income questions. While we focus on these four years of surveys in our main analysis, we utilized information from other intervening years to examine work histories in relation to labor force status in these four years.

⁵ It is important to note that official poverty statistics have been the subject of much criticism. The National Academy of Sciences recommended many changes in poverty statistics including making the thresholds the same for all ages, but subtracting work expenses and out-of-pocket medical expenses from income. This change would increase poverty rates for the elderly, as their medical expenses tend to be much higher than those of younger people (Citro and Michael 1995). In addition, medical costs have been rising at a much faster rate than overall inflation. For these reasons, we consider women's near poverty status as well as poverty status in our overview of women's economic status.

wage and salary, pensions, Social Security, asset income, welfare benefits, other family members' income in the household, and so forth.⁶

Table 1 describes basic demographic characteristics of women in the NLS-MW for 1967 and 2001, our initial and final observation years. During the course of the survey, many respondents attrited from the survey because they died, could not be located, or refused to participate in follow-up surveys. Sample attrition over time can bias the representativeness of the sample characteristics,⁷ and it can also confound our consideration of changing demographic characteristics in the sample. For example, if married women were more likely to drop out of the survey over time, it may be difficult to interpret whether increases in the proportion of unmarried women in old age are partly due to sample attrition of married women or due to women's greater likelihood of losing their husbands as they age. To better assess the changes in women's demographic characteristics, we present in Table 1 the characteristics of two samples—the overall sample that includes all women surveyed in each year and the continuous sample that includes women who were surveyed in all four years of 1967, 1982, 1992, and 2001. The characteristics in the two samples are similar both in 1967 and 2001, except that the continuous sample of women who responded to all four surveys includes a slightly greater proportion of women who were better-educated, who were married, or who had better health at the initial survey time.

Although the women were already aged 30-44 at the initial NLS-MW interview, their educational attainment has increased over time, as shown in the continuous sample which follows the same group of women over time. In fact, responses to survey questions on school attendance found considerable adult education occurring, especially during the early survey years. Nearly one-quarter of the sample interviewed in 1982, for instance, had attended college at some time between 1967 and 1982 (Morgan 1986).

It is clear that women in the NLS-MW experienced dramatic changes in their marital status as they moved from midlife to the retirement period. For this cohort of women born during the 1920s and 1930s, the majority of them (over 80 percent) were married when they were at the ages of 30 to 44. As they entered in their 60s and 70s, however, only half of them were married and nearly one-third were widows. There was also a small increase in the proportion of women who were divorced or separated by 2001. Another notable change over the life cycle can be seen in health status.⁸ The majority of women reported being in good health in their 30s or 40s, but nearly half were reporting some health limitations in their 60s

⁶ Because questions were asked for many different components of income, item non-response was quite common. Between 25-40 percent of respondents in each survey year failed to provide one or more components of income. To minimize the number of missing observations and reduce the bias caused by these missing observations, we imputed each of the missing individual components of income. We used a hotdeck procedure that imputes missing values using values from observations with valid data; we imputed missing values for each income component from randomly selected valid observations in the same race, educational attainment, and marital status group.

⁷ The overall sample attrition during the years of the NLS-MW has shown that women with lower socioeconomic status were slightly more likely to leave the survey than women with higher socioeconomic status (Zagorsky and Rhoton 1998). Our study applies sample weights provided by the NLS-MW which adjust for the characteristics of overall sample attrition and the initial oversampling of African Americans.

⁸ Health status in the NLS-MW is measured by questions asking about health limits in work activities. Women who reported having health problems that prevent them from working, or that limit the amount or the kinds of work they can do are both treated as having poor health in this study.

and 70s. Among this cohort of women, a little less than half were participating in the labor force during their midlife (47 percent overall in 1967). While most of these women were retired by 2001, 13 percent still reported having some type of work in their old age.

In the following, we first describe changing economic status among this cohort of women from 1967 to 2001 by looking at their poverty and near poverty rates. We then turn to an examination of how women's marital, work, and health characteristics are associated with poverty status as they move from their middle years to early and then to later retirement years. We pay special attention to whether there are important differences between white and African-American women in the way these characteristics are related to their poverty status.

Empirical Results

A. Poverty and Near Poverty Status of Women in the NLS-MW, 1967-2001

Table 2 shows changing economic status over time for women in the NLS-MW by calculating the percentages of women in poverty and in near poverty (the ratio of family income to the official poverty threshold is between 1.00 and 1.49). To assess the actual changes within the same group of women, as well as within the overall cohort of women, we present statistics for both overall sample and continuous sample of women. Between 1967 and 1982, the poverty rate declined from 13 percent to 9 percent overall as many women approached their pre-retirement years (ages 45-59 in 1982). The poverty rate since then, however, increased, reaching 12 percent in 1992 and 18 percent in 2001, as women entered early and late retirement years. The proportion of women facing difficult economic circumstances is likely to be greater, if we also consider a sizable proportion of women living in near poverty in their old age. In 2001 when almost all women were in their 60s and 70s, nearly one-third of them were either in poverty (18 percent) or in near-poverty (15 percent). The poverty or near poverty rates are slightly lower for the continuous sample of women, indicating that these women—who responded to all four surveys over a 30-year period—represent a somewhat better-off group than the overall sample of women.

For this cohort of women, the drop in the poverty rate between 1967 and 1982 is likely to entail both period and life cycle effects. Since the 1960s, poverty rates had declined substantially for the overall population as a result of economic growth during the 1960s and as many social programs targeted for the poor were put in place. In addition to this period effect, life cycle effect must have also played a role in this drop since income usually peaks in the ages of 45-54 among the working population. The increase in poverty or near poverty rates since 1982, however, is likely due to life cycle effects, given that poverty rates in the overall population remained relatively stable during the 1990s, especially for older populations. In other words, as women approached their retirement years, many of them faced growing economic vulnerabilities and increased risk of living in poverty. During these years, women are increasingly likely to experience widowhood, deteriorating health, or withdrawal from the labor force; all of these can underlie women's worsening economic status, which is the focus of the next section.

Table 3 presents poverty and near poverty rates separately for white and African-American women from 1967 to 2001, and also by marital status within each race, restricting to the continuous sample of women in the NLS-MW. (The women in other races are excluded due to their small numbers.) As shown in the last two columns for the total, there are striking differences in economic status between white and African-American women, although both groups experienced similar trends over time—declines in poverty rates by 1982 and then increases through 1992 and 2001. The poverty rate for African-American women in 1967, when they were in midlife (aged 30-44), was more than four times greater than the rate for white women (44 percent versus 10 percent). In 2001 when most were in their retirement years, it was still nearly three times greater for African-American women than the rate for white women (42 percent versus 14 percent). While large differences persist by race over lifetime, it is important to observe that the increased risk of poverty at older ages seems greater for white women than for African-American women. The poverty rate for white women in the NLS-MW more than doubled from 7 percent to 14 percent between 1992 and 2001. For African-American women, while their poverty rate was much higher than that for white women at all ages, the increase at older ages was relatively smaller and their old-age poverty rate was in fact slightly lower than the rate when they were in their midlife in 1967. Nevertheless, when we combine women living in near poverty as well, nearly two-thirds of African-American women (63 percent) in this continuous sample were living either in poverty or in near poverty during their retirement years, compared with 28 percent of white women.

Along with these racial differences, there are also remarkable differences by marital status. For both white and African-American women, the poverty rate has been much higher among unmarried women (widowed, divorced, and never married women combined) than married women from middle to older ages, although African-American women have had substantially higher poverty rates in both marital status categories (see Table 3). The rate of near poverty has also been higher for unmarried than for married women, and the difference by marital status is especially noticeable among white women. Among whites, unmarried women in 2001 were nearly three times more likely than married women to live in poverty or near poverty (44 percent vs. 15 percent).

The poverty statistics described above illustrate changing economic status among women as they move from their middle years to older ages, and at the same time apparent differences by race and marital status. Next, we focus on how changes in women's poverty status are associated with their major life or family characteristics that also change over the life course, such as marital status, health status, and labor force status. We examine these patterns separately by race, in order to understand whether poverty dynamics converge or diverge over the life course between white and African-American women.

B. Poverty Dynamics among Women in the NLS-MW

a. Poverty Dynamics in 1967 -1982: Moving into the Pre-Retirement Years

Table 4 presents changes in poverty status among white and African-American women in the NLS-MW between 1967 and 1982 by focusing on those women whose poverty status information was available for both years. The table includes the distributions of marital status, labor force status, and health characteristics of white and African-American

women separately, and shows how these characteristics relate to changes in poverty status during the 1967-1982 period.

As described earlier, strikingly large differences exist in poverty status between white and African-American women from their middle years in 1967. Racial differences are also substantial in other life course characteristics, particularly in marital status. Nearly three-quarters of white women (74 percent) were married in the 1967-1982 period, from the ages of 30-44 in 1967 to the ages of 45-59 in 1982. By contrast, less than half of African-American women (45 percent) were married during this period; more than one-quarter of them were unmarried (widowed, divorced, or never-married) in both years. African-American women were also more likely than white women to become widowed or divorced during this period (22 percent compared with 15 percent). Labor force status also illustrates a well-known pattern of greater involvement in labor market activities by African-American women than by white women in this cohort: a larger proportion of African-American than white women (41 percent vs. 31 percent) were employed in both years spanning the 15-year period. Yet, a higher percentage of white women, nearly one-quarter of them, indicated entering into the labor force during this period (25 percent vs. 15 percent), whereas a higher percentage of African-American women indicated leaving the labor force during this period (22 percent of African-American women vs. 14 percent of white women). Health status indicates that African-American women were less likely than white women to report good health during these years (53 percent vs. 67 percent); a higher percentage of African-American than white women also reported changes in their health status, from good to poor (26 percent vs. 17 percent) during these years.

As discussed earlier, poverty rates generally declined between 1967 and 1982 for women in the NLS-MW, as they moved from their middle years (aged 30-44 in 1967) into the pre-retirement years (aged 45-60 in 1982). African-American women overall showed a greater decline in poverty than white women during this 15-year period—from 42 percent to 29 percent—but their poverty rate was still more than four times greater than the rate for white women in 1982 (29 percent compared with 7 percent). Younger women (aged 45-52 in 1982) in both racial groups showed a greater decline in poverty than older women (aged 53-59 in 1982). For older white women, there was relatively little change in their poverty status between 1967 and 1982.

While poverty rates had declined overall for most groups of women during these pre-retirement years, increased poverty was seen among a few noticeable groups of women. Between 1967 and 1982, 15 percent of white and 22 percent of African-American women became widowed or divorced (“became unmarried”), and these women were most likely to face increased poverty, compared with other marital status groups. For instance, women who were unmarried in both 1967 and 1982 were most likely to be poor in 1967, but their poverty rates declined by 1982 with general trends (see Table 4). By 1982, women who became widowed or divorced were most likely to be poor (18 percent for white women and 39 percent for African-American women), reaching slightly higher rates than the rates among women who were unmarried in both years.

In terms of labor force characteristics, white women who stopped working by 1982 experienced increased risk of poverty, while women in other labor force status all

experienced declines in poverty between 1967 and 1982, including the women who did not work in both years.⁹ White women who stopped working during the period also had the highest rate of poverty by 1982, which is even higher than the rate shown by the women who did not work in both years. It is important to note that African-American women who stopped working by 1982 did not experience any further increased poverty, unlike their white counterparts, in part due to their already higher rate of poverty in 1967. Among African Americans, the poverty rate in 1982 was still the highest for women who did not work in both years (51 percent of them were poor). The poverty rate was the lowest for women who worked in both years, followed by women who entered the labor force by 1982, similarly among white and African-American women; yet, the rates were substantially higher for African-American than for white women in the same category of labor force status.

In addition to marital status and labor force status, health status was also important for women's economic well-being during the period of 1967-1982. The poverty rate declined for all groups, except for white women who reported their health became poor during these years. For African-American women reporting poor health by 1982, the poverty rate did not increase further given their already high rate in 1967. For both white and African-American women, those who reported poor health in both years had a substantially higher rate of poverty in both years.

In short, poverty status during the period of 1967-1982 in relation to women's life course characteristics illustrates that women's marital status, labor force status, and health status all have important impacts on their economic status during pre-retirement years. While the risk of poverty overall declined during this period, women who became unmarried, left the labor force, or experienced poor health were facing an increased risk of poverty. Given already higher levels of poverty among African Americans than among whites in 1967, the degree of increased risk of poverty was more noticeable among white women. These are important life characteristics for women, the changes of which will further rise as women move into their retirement years.

b. Poverty Dynamics in 1982-1992: Moving into Pre-Retirement and Early Retirement Years

In contrast to the 1967-1982 period during which poverty declined for women overall in the NLS-MW, poverty increased during the years between 1982 and 1992 for both white and African-American women (Table 5). By 1992, the older group of women were mostly in their early retirement years (aged 63-69), while the younger group were still in their pre-retirement years (aged 55-62). Among white women, poverty increased to a greater extent for the younger group, resulting in similar rates of poverty for both age groups by

⁹ Although labor force status presented in Table 4 is measured only in two points in time (1967 and 1982), these work status categories are closely associated with more detailed employment histories of women in the NLS-MW. For instance, women who worked in both 1967 and 1982 are also the ones who had extensive employment histories—those who reported being employed most of the times (over 90 percent) during the survey years between 1967 and 1982. Women who reported changes in labor force status between 1967 and 1982 (either from work to no work, or from no work to work) are the ones with relatively modest employment histories—those who reported employment about half of the survey years between 1967 and 1982. Women who reported not working in both years had very minimal employment experience. Between 1967 and 1982, there were total 11 surveys in the NLS-MW.

1992, at 9 percent. Among African Americans, poverty increased for both age groups and it was much higher at 34 percent in 1992.

The distributions of marital, labor force, and health status in 1992 show further changes in women's major life course characteristics, as well as persisting differences between white and African-American women, except for labor force status. Compared to the earlier period, labor force status was converging between white and African-American women: less than one-third of both white and African-American women were employed in both years 1982 and 1992, while nearly two-thirds were out of the labor force by 1992. Close to 30 percent of white and African-American women were leaving the labor force during this period, and this group of women, especially African-American women, experienced a greater degree of increased poverty as shown by percentage point changes in poverty rates between the years ("Rate change" in Table 5). For those women who continued to be employed and those who entered (or re-entered) the labor force during this period, there was little change or even a slight improvement in their risk of poverty among both white and African-American women (the actual number of African-American women who entered the labor force was quite small). This suggests the importance of women's employment during pre-retirement or even early retirement years in reducing their risk of falling in poverty.

Marital status was also closely associated with poverty during this period. Poverty increased markedly for those who became widowed or divorced between 1982 and 1992, from a mere 4 percent to 15 percent for white women, and from 18 percent to 42 percent for African-American women. This group of women was also likely to experience the greatest degree of increased poverty within their own racial group, as shown in percentage point changes in poverty rates. Women who remained married in both years had the lowest rate of poverty in both 1982 and 1992, with a relatively smaller increase in poverty during these years. For women who remained unmarried in both years, there was little change in poverty rates among white women, but there was a substantial increase in poverty among African-American women. Please note that over 60 percent of African-American women either remained unmarried or became unmarried by 1992 when they were approaching or entering early retirement years, compared with only one-third of white women. It is also important to note that poverty rates increased substantially for all marital status groups among African-American women during these years.

Women's health status during the period of 1982-1992 similarly shows a close association with their poverty status. Women reporting poor health show the highest rate of poverty in both years, similarly for white and African-American women. Women reporting changes in their health status from good to poor experienced a greater degree of increased poverty, compared with other health status groups. (The rate of poverty increase is also quite high among African-American women reporting their health from poor to good, but their sample size is small.) Compared with white women, African-American women were much more likely to report poor or deteriorating health during these years; at the same time, relatively greater degrees of poverty increases were shown for all health status groups among African Americans than among white women.

In short, compared with the earlier period of 1967-1982, both white and African-American women generally experienced increased risk of poverty during the 1982-1992 period, as they were approaching or entering into early retirement years (aged 55-62 and 63-

69). Only those women who remained married, continued to be employed or entered the labor force, or remained in good health showed little change during the period and maintained still low rates of poverty by 1992, especially among white women. Among African-American women, except for a small group of women entering (re-entering) the labor force and for those who continued to be employed, the risk of poverty increased substantially. African-American women who were unmarried, did not work for some time, and who were in poor health had especially high rates of poverty—well over 40 percent by 1992.

c. Poverty Dynamics in 1992-2001: Moving into Early and Late Retirement Years

Table 6 presents poverty dynamics for the years between 1992 and 2001. During this period, the younger women in the NLS-MW were moving from pre-retirement into early retirement years (aged 64-71 in 2001), while the older women were moving from their early to late retirement years (aged 72-78 in 2001). During this nine-year period, poverty rates increased for both age groups, but the increase was much steeper for older retirees than for younger retirees, especially among white women. For older retirees, the poverty rate more than doubled from 7 percent to 18 percent during the period, indicating substantially greater risk of poverty for white women at older ages. Among African-American women, the poverty rate for older retirees also increased by nearly 10 percentage points, from 33 percent to 42 percent.

Compared to white women, African-American women had a far greater proportion living in poverty at the start of the period in 1992—about one-third for each age group which is more than three times higher than the rates among white women. By 2001, African-American women still had more than twice the poverty rate of white women, even among older retirees (42 percent for African-American women vs. 18 percent for white women). Nevertheless, transition rates into poverty indicate a greater rate of increased risk of poverty for white women: more than three quarters of white women (77 percent) who were poor in 2001 had *not* been poor nine years earlier in 1992, whereas the corresponding percentage for African-American women was 57 percent (results not shown).

As for marital status changes during the 1992-2001 period, we consider two groups of widows: women who became widowed (or divorced) between 1992 and 2001 (“recent widows”) and women who were already widowed prior to 1992 (“long-term widows”). About 15 percent of both white and African-American women were recent widows by 2001, but higher percentages of African-American women were long-term widows (31 percent vs. 17 percent) or were unmarried at both years (26 percent vs. 13 percent). More than half of white women were still married by 2001, while less than 30 percent of African Americans were married at these older years. While poverty rates increased for all marital status groups during this period, the rate of increase was greater for widows, especially for recent widows; poverty increased from 6 percent to 19 percent for recent widows among whites, and from 17 percent to 45 percent for recent widows among African Americans. The poverty rate was already high for long-term widows and the unmarried in 1992 (about 15 percent for whites and over 40 percent for African Americans), and it increased even further by 2001, especially among whites. Compared to these widows or unmarried women, married women maintained the lowest rate of poverty, although their rate has also increased slightly during

the period. This suggests that women's widowhood or living alone during their retirement years triggers or deepens poverty over time.

By 2001, very few women were still employed and many more were leaving the labor force. The women leaving the labor force by 2001 had the lowest poverty rate in 1992 (when they were working), similarly for white and African-American women, but their poverty rate increased substantially as they left the labor force by 2001. White women who continued to work in 2001 still showed a relatively low rate of poverty, and African-American women who worked in both years had the lowest poverty among African Americans. At younger ages, some women had avoided poverty by continuing to work, by entering the labor force, or through remarriage after losing a spouse. However, Table 6 shows fewer women were able to escape poverty in these ways at older ages, reflecting the lessening possibility of earning income through employment as well as the increasing likelihood of widowhood for married women. Although employment continues to be a safety net against poverty, fewer women at older ages are able to use it.

Women's health during retirement years is also closely associated with their poverty status, as expenses for health care can cause a greater financial burden when many of them would gradually experience deteriorating health. While the poverty rate increased for all groups of women during this period, the increase was especially large for women who reported their health changed from good to poor between 1992 and 2001. For this group of women, the poverty rate increased from 5 percent to 17 percent among whites, and from 27 percent to 44 percent among African Americans. Nonetheless, the women whose health was already poor in 1992 had still higher rates of poverty in both years.

d. Multivariate Analyses of Women's Poverty in Retirement, 2001

Table 7 presents the results of multivariate analyses that assess the relative importance of several factors associated with women's poverty during retirement in 2001, separately by race and marital status. The models presented in Table 7 estimate the likelihood of women's being poor in 2001. For independent variables, we include women's educational attainment and husbands' educational attainment (in case of married women) as proxies for their earnings potential,¹⁰ along with the factors examined in Table 6—age, marital status, labor force status, and health status between 1992 and 2001. Since some of these factors are associated also with women's previous poverty in 1992 and the previous poverty is closely related to poverty status in 2001, the models control for poverty status in 1992.¹¹

¹⁰ While we treat education mainly as proxies for earnings potential in this analysis, women's (as well as men's) education is also closely associated with other factors, such as the quality of job, the likelihood of having an employer-provided pension plan, and the status of health. All of these factors are in turn known to be crucial for economic well-being during the retirement years. For instance, people with lower levels of education are more likely to develop medical conditions or health-related work limitations during their pre-retirement years (Johnson et al. 2005).

¹¹ There are other variables that are likely to be important predictors of older women's poverty in 2001 which are not considered in these multivariate models (various types of income sources, changes in wealth, etc.). Multivariate analysis here is intended to discern the inter-relationships and assess the relative importance among the variables examined descriptively in Table 6.

The results in Table 7 generally confirm the importance of changes in women's marital status and labor force status for the risk of poverty in old age, but there are some differences between white and African-American women. For white and African-American women who were married in 1992, the likelihood of being poor in 2001 is closely related to their previous poverty status in 1992: among white women, those who were poor in 1992 are six times more likely to be poor in 2001 than those who were not poor in 1992, while among African-American women, those who were poor in the earlier year are three times more likely to be poor.¹²

Controlling for this previous poverty status as well as other characteristics, changes in marital status—becoming widowed or divorced between 1992 and 2001—is a significant predictor of women's poverty in retirement, for both white and African-American women who were married in 1992. Employment in 1992 and withdrawing from the labor force by 2001 also have significant impacts among white women but they are not so significant among African-American women, when other characteristics are taken into account. For both white and African-American women, education is an important predictor of their poverty status in 2001, as education is likely to represent their lifetime earnings potential. For African-American women, those with at least some college education are less likely to be poor in 2001 compared with those with high school education or less (the difference is marginally significant at $p < .10$ for both categories), while there is no significant difference between high school graduates and those with less than a high school education. For white women, there is a more linear relationship: compared with those with a high school diploma, those with less than a high school education are more likely to be poor, while those with at least some college education are less likely to be poor in 2001. For married white women, their husband's educational attainment is also important, suggesting that women's economic well-being depends to an important degree on financial security provided by their husbands. Compared with white women, there are fewer significant predictors of poverty in 2001 among African-American women once we account for the importance of changes in marital status, education, and previous poverty status, given the high prevalence of poverty in 1992 and 2001 and also given a relatively smaller sample size for this married group of African-American women.

Among white and African-American women who were unmarried in 1992, similar to the case of their married counterparts, previous poverty in 1992 is an important predictor of their poverty in 2001. For African Americans, it is rather marginally significant when other characteristics are equal, because a relatively large proportion of unmarried African-American women who were not poor in 1992 also became poor by 2001—about 39 percent (compared with 22 percent of unmarried white women and 28 percent of married African-American women). Controlling for previous poverty status as well as other characteristics, withdrawing from the labor force has a significant impact on the likelihood of poverty in 2001 for both white and African-American women. Educational attainment is, again, an important predictor for the likelihood of women's being poor. For unmarried white women, those with less than a high school education are significantly more likely to be poor compared with high school graduates or those with some college education, while there is no significant difference between high school graduates and those with at least some college education. For unmarried African-American women, on the other hand, those with at least

¹² These figures can be calculated by using the coefficients for the 1992 poverty status variable: $\exp^{1.81} = 6.0$ for married white women, and $\exp^{1.10} = 3.0$ for married African-American women.

some college education are less likely to face poverty compared with both high school graduates and those with less than a high school education (the result not shown), while there is no significant difference between high school graduates and those with less than a high school education. Compared with the result for married white and African-American women, health status or its changes between 1992 and 2001 are also significant predictors of unmarried women's likelihood of being poor in 2001, even when other characteristics are equal.

In short, the results of multivariate analyses in Table 7 confirm that several key life course characteristics of women at older ages such as changes in marital status, labor force status, or health status, have significant effects on their risk of poverty during retirement years, although the magnitude of their effects varies somewhat by race and marital status. Importantly, for women who were married in their pre-retirement or early retirement years, becoming widowed (or divorced) significantly increases their risk of poverty during later retirement years, similarly for both white and African-American women. Withdrawing from the labor force at older ages also has a significant impact on increasing the risk of poverty, among white women and unmarried African-American women. In addition, women's educational attainment is an important predictor of poverty at older ages, as it represents their employment and earnings history over the lifetime.¹³ Finally, the previous poverty status is a significant predictor of the old age poverty in 2001 for both white and African-American women, suggesting that women who experience poverty over their life course are more likely to face poverty in their retirement years. Next, we examine in more detail the relationship between poverty in 2001 and previous poverty among white and African-American women.

C. Past Prevalence of Poverty and Poverty Status in Old Age

As examined so far, the likelihood of experiencing poverty is very high among African-American women from their midlife through old age, and also high among women who were not married, who were not working, or who had poor health at each life stage examined until retirement years. This suggests that women with these disadvantaged life course characteristics are likely to encounter repeated poverty over time. In this section, we explore more closely how women's poverty status during retirement in 2001 is related to their past experience of poverty. That is, to what extent does women's old age poverty reflect their disadvantaged economic circumstances over the life cycle?

¹³ A closer examination of employment and earnings for survey years between 1967 and 1997 in the NLS-MW shows that the level of women's education is closely related to their employment and earnings histories, among both white and African-American women. Among married African Americans, for example, women with at least some college education reported being employed in 77 percent of the survey years from 1967 to 1997, while women with high school education reported 59 percent and women with less than high school education reported 56 percent of the survey years for being employed. Similar patterns are found for white women overall. Yet, as expected, African-American women, especially married women, have more extensive work histories than white women: married African-American women have, on average, reported being employed in 63 percent of the survey years, compared with 51 percent among married white women. There were total 18 surveys between 1967 and 1997, and we considered the number of survey years up to age 65 for employment experience.

We look at the relationship between past poverty and poverty status in 2001 by restricting to women in the NLS-MW who have poverty information for all four years in 1967, 1982, 1992, and 2001 (referred to as the “continuous sample” in the earlier section). Given previous research indicating that a significant proportion of the population experiences poverty at some point in their lives but this poverty experience for many people is often short-term (Rank and Hirschl 2001), it will be more accurate to estimate the extent of lifetime poverty based on yearly data or at least based on data from short intervals. Unfortunately, a relatively small number of women in the NLS-MW have valid poverty information for all available years of surveys between 1967 and 2001. We, therefore, focus only on past three years of data (1967, 1982, and 1992) as a proxy for the past experience of poverty and examine its potential impact on poverty status during the retirement years (in 2001).¹⁴

As expected, Table 8 shows that African-American women overall were substantially more likely than white women to experience poverty during the three survey years over the 25-year period prior to their retirement in 2001 (see columns for total). Nearly two-thirds of African-American women (64 percent) reported living in poverty in at least one of the three survey years in 1967, 1982, and 1992, compared with only 18 percent of white women.

Among both white and African-American women, however, women who were poor in 2001—when they were all in their 60s and 70s—were significantly more likely to have encountered poverty in the earlier life course than women who were not poor in 2001. Among white women, only a small proportion of those who were not poor in 2001 (15 percent) had lived in poverty in any of the prior three years between 1967 and 1992. Among white women who were poor in 2001, on the other hand, close to 40 percent had experienced at least one year of poverty between 1967 and 1992. This indicates that many women who were poor in their old age tend to be also those who underwent disadvantaged economic circumstances in their earlier life course. Yet, it is equally important to point out that more than 60 percent of white women who were poor in their old age had not been poor in any of the prior three years, demonstrating an increasing risk or a newly emerging risk of poverty for many white women as they move into their retirement ages. For African-American women, given the higher prevalence of poverty over their life course, poverty in their old age seems to represent more of persisting life cycle disadvantages compared with white women. Almost three-quarters of African-American women who were poor in 2001 had at least one year of poverty in the three survey years between 1967 and 1992, and over half of those who were not poor also had a similar experience.

D. Income Sources among Women in the NLS-MW by Poverty Status

In this final empirical section, we explore key income sources that distinguish women who are poor and who are not poor, and examine how these income sources change over time as white and African-American women enter the retirement period. Tables 9-a and 9-b present the percentages of white and African-American women in the NLS-MW, respectively, who received income from earnings, assets, Social Security, pensions, or

¹⁴ Since using information based on a smaller number of years of data over a long period of time is likely to underestimate the potential experience of poverty, the result in this section needs to be interpreted with caution.

government support programs, according to poverty status for each of the years 1967, 1982, 1992, and 2001.¹⁵

Prior to 1992 when most of women in the NLS-MW were still in pre-retirement ages, individual earnings constituted the most common source of income. As expected from traditionally high rates of labor force participation by African-American women, African-American women were more likely than white women to have income from earnings (i.e., wages, salaries, and self-employment earnings combined) in 1967 and 1982, whether they were in poverty or not. For instance, over 80 percent of African-American women who were above poverty in 1967 had income from their employment (see Table 9-b), compared with over half of white women (56 percent; see Table 9-a); even 60 percent of African-American women who were poor in 1967 had some income from earnings.¹⁶ Yet, similarly for white and African-American women, those living in poverty in 1967 and 1982 were less likely to have earnings than women who were not poor: only one-quarter of white women who were poor in 1982 had their own earnings compared with nearly two-thirds of white women who were not poor.

Many poor women were likely to depend upon government support programs such as food stamps, AFDC, and SSI (for 1982; Tables 9-a and 9-b). Compared with poor white women, poor African-American women were twice as likely to receive support from government programs (70 percent of African-American women vs. 37 percent of white women in 1982). For white women, income from assets (i.e., interest, dividends, rent, or farm investment) was another common source of income that many poor women lacked during pre-retirement years as well as retirement years. For African Americans, however, even those who were living above poverty during these years were far less likely than white women to have income from assets (63 percent of non-poor white women vs. 21 percent of non-poor African-American women in 1982) and very few of those living in poverty had any income from assets. Consequently, for African-American women during pre-retirement years, especially in 1982 (aged 45-59), other than earnings, government support programs provided the second common source of income, whether they were in poverty or not.

As many of women in the NLS-MW moved into retirement ages after 1992, the percentage of women who had earnings decreased, while the percentage of women receiving income from Social Security or pensions increased, similarly for white and African-American women. One noticeable difference between women who were poor and who were not poor for the early and late retirement years (1992 and 2001) is that those who were living above poverty were more likely to still have income from employment. Even in 2001 when they were in the ages of 64-78, nearly one-quarter of white and African-American women who were not poor had some income from earnings, whereas only 5 percent of poor white

¹⁵ The income sources listed here refer to those received by individual women, except for asset income, AFDC/TANF, and food stamps which were received by any of their family members. Although women reported receiving income from Social Security or pensions for themselves, some of them might have received income from these sources based on survivor benefits rather than based on their own employment.

¹⁶ In 1982 when the NLS women were in the ages of 45-59, median annual earnings for those reporting any income from employment were overall higher for white women than for African-American women (\$17,010 vs. \$15,120 in 2000 dollars). Yet, among those women who were not poor, there was a smaller difference in median earnings between white and African-American women (\$18,000 vs. \$17,000 in 2000 dollars).

and African-American women reported any earnings.¹⁷ It is also important to note that while the percentage of women with their own earnings had been much higher for African-American women than for white women through pre-retirement years, the percentages had converged by early and late retirement years.

For women in retirement, Social Security is a major source of income, but women living in poverty were less likely to have income from Social Security than women who were not poor, similarly for both white and African-American women. In 2001, for example, when most women were in the retirement ages of 64-78, more than 90 percent of white women who were living above poverty had income from Social Security, representing a nearly universal source of income; however, only about 70 percent of white women who were poor received income from Social Security in that year.¹⁸ African-American women overall were somewhat less likely than white women to have income from Social Security, but Social Security still was the most common source of income for African-American women in their old age, including those who were living in poverty. As Social Security became the major source of income during retirement years, the percentage of women relying on other government support programs had declined for both white and African-American women compared to pre-retirement years or early retirement years. Yet, a higher percentage of African-American women than white women in 2001, especially those who were poor, were still relying on other government programs such as food stamps and SSI which is designed to provide income support for the poor elderly.¹⁹

Income from pensions constitutes another key source of income during retirement, but its coverage is substantially less than Social Security. And women living in poverty were less likely to have income from pensions than women who were not poor. Put differently, lacking major sources of retirement income such as Social Security and pensions was likely to lead to poverty for many women during their retirement years. Importantly, African-American women living above poverty in 2001 had a higher rate of having pension income than white women, suggesting the importance of pension income in protecting women from poverty in retirement. Compared to other income sources, African-American women are quite similar to white women or even higher in their receipt of pension income, given their higher rates of employment over their life course and also given their greater likelihood of employment in the government sector where pension participation is more common.

In order to explore in more detail the changes in income sources and women's risk of poverty as they entered their retirement years, Table 10 displays how income sources changed for those who were not poor in 1992 but who became poor by 2001, in comparison with those who stayed out of poverty in both 1992 and 2001. For this exploration, we focus

¹⁷ This difference is not due to a possible difference in the average age between women who were poor and who were not poor. There is no significant difference in the mean age between the two groups. Even among the older group of white women (aged 72-78), those who were not poor were more likely to have earnings than their poor counterparts (15 percent vs. 3 percent).

¹⁸ In 1992, the percentages of women aged 62 and older who had income from Social Security were 87 percent for those who were not poor and 72 percent for those who were poor.

¹⁹ A relatively high proportion of poor women in 1992 and 2001 received some income from disability payments, as well as from SSI. This suggests that health problems are likely to be an important factor underlying poverty among many women during retirement as well as pre-retirement years.

only on those white and African-American women who were present in both years of the survey.

Table 10 illustrates that the percentage of white women with earnings (that is, employment) decreased between 1992 and 2001, but the decrease was steeper for women who became poor in 2001 than women who stayed out of poverty. Both groups of white women who were not poor in 1992 had similar percentages of having employment (44 and 48 percent), but by 2001 only 5 percent of those who became poor had employment while nearly one-quarter of those who stayed out of poverty still had employment. Consistent with our earlier finding that shows the importance of women's withdrawal from the labor force on their likelihood of poverty in retirement (in 2001), this suggests that maintaining employment was crucial for many women to remain out of poverty during their retirement years. While the receipt of Social Security increased as women moved into the retirement years by 2001, white women who became poor had a lower percentage of receiving Social Security (72 percent) in 2001, compared with women who remained out of poverty in 2001 (92 percent). Importantly, white women who became poor by 2001 had a lower rate of having asset income and a higher rate of receiving other government supports even when they were not poor in 1992, compared with white women who remained out of poverty in both years. This indicates that many women with low income during pre-retirement years, even though they were not necessarily poor, were more likely to fall in poverty as they entered the retirement years. Indeed, of white women who became poor by 2001, more than one-third lived in near poverty in 1992, whereas only 16 percent of women who remained out of poverty in 2001 lived near poverty in the earlier year (results not shown).

For African-American women, similar patterns are shown in changes in income sources depending on poverty status in 2001; for instance, there is a rather steep decline in the percentage of women with earnings among those who became poor by 2001. Yet, in comparison with women who remained out of poverty in both 1992 and 2001, African-American women who became poor by 2001 were less likely in the earlier period (1992) to have income from employment, assets, or pensions, while they were more likely to receive other government supports.²⁰ In other words, African-American women who became poor during retirement years were also more likely to be in economically vulnerable situations during their pre-retirement years: 40 percent of African-American women who became poor by 2001 were already living in near poverty in 1992, compared with 32 percent of women who stayed out of poverty. Importantly, for white women the percentage with pension income was similar between those who remained out of poverty and those who became poor; for African-American women, on the other hand, there is a relatively large difference in pension income between these two groups of women, indicating the greater importance of pension income for preventing many African-American women from poverty.

In short, as women move from their midlife to pre-retirement and then to retirement years, the proportion of women with earnings decline while those with Social Security or pension income increase. The difference in income sources between women who are poor and who are not poor during retirement years illustrate the importance of having some form of employment even during the retirement period for keeping many women out of poverty. In addition to earnings, women who are poor in retirement are less likely to have income

²⁰ There is no difference in the average age between women who became poor by 2001 and women who remained out of poverty. The average age in 2001 for both groups of African Americans was 71.

from other sources such as Social Security, assets, and pensions. Importantly, while African-American women are significantly less likely than white women to have any type of assets throughout the life course, African-American women who stay out of poverty during retirement years are more likely to have pension income, not only compared with African-American women living in poverty but also compared with their white counterparts.

Summary and Policy Implications

Using a longitudinal survey conducted among a group of women over more than three decades, this research traced the extent of white and African-American women's poverty from midlife to retirement years and examined how changes in key life course characteristics such as marital, labor force, and health status relate to women's risk of poverty over time and in old age. The women described in the study were born between 1923 and 1937, and most were retired by 2001 at ages 64-78. These are the mothers of the baby-boom generation, most of whom left the labor force while their children were young but returned to work as their children grew older.

As expected, African-American women in our sample show much higher rates of poverty than white women throughout their middle years to old age. Yet, changes in life course characteristics in many ways work similarly for white and African-American women, as they move to pre-retirement, early retirement, and then to late retirement years. African-American women were much less likely to be married than white women during their middle years, and they were also more likely to become widowed, divorced, or separated during the pre-retirement years. Similarly for both groups of women, however, those who lose their husbands or remain unmarried are at significantly greater risk of poverty than women who remain married, either before or during retirement years. Poverty rates increase overall as women move into their retirement years, but this increase is particularly steep for those women who become widowed during retirement years. This importance of marital status indicates that for most women in this generation, financial security provided by their husbands—earnings and retirement income such as Social Security and pensions—is crucial for their economic well-being in retirement, even though many women have their own sources of income.

Along with marital status, findings in this study also demonstrate the importance of women's own employment or earnings in preventing poverty during retirement as well as pre-retirement years. While women who remain employed until late retirement years maintain relatively lower rates of poverty, those women who leave the labor force encounter substantial increases in their risk of poverty, similarly for both white and African-American women. For unmarried women in particular, who rely mostly on their own earnings, leaving the labor force greatly increases their likelihood of living in poverty during the retirement period. For white and African-American women alike, poverty rates further increase as women move to late retirement years, partly because many more women become poor and partly because many women who were already poor remain poor. This illustrates decreasing chances of escaping poverty with age, reflecting the lessening possibility of earning income through employment as well as the increasing likelihood of widowhood for married women.

Women's old-age poverty to an important degree represents disadvantaged life circumstances throughout their earlier life course. Among both white and African-American

women, women who are poor in their retirement years were significantly more likely to have encountered poverty prior to their retirement. Yet, a relatively large proportion of white women who are poor in their old age were less likely to have been poor previously, demonstrating an increasing risk or a newly emerging risk of poverty for many white women. Given substantially higher prevalence of poverty among African-American women over the earlier life course, old-age poverty for African Americans represents more of persisting life cycle disadvantages compared with white women.

The study also examined changes in income sources over time by women's poverty status. Prior to retirement, one's own earnings constituted the most dominant source of income for women in this generation, especially for African-American women who have more extensive employment experiences. During retirement years, Social Security is the major source of income for both white and African-American women, but women who live in poverty are less likely to receive Social Security benefits. Compared with women living in poverty during the retirement period, women who are not poor are also more likely to have income from assets and pensions. Yet, compared with white women, African-American women are substantially less likely to have income from assets, whether they live in poverty or not. Despite more extensive work histories among African-American than among white women, the percentage of those receiving Social Security is also lower for African-American women. Importantly, having pension income plays a critical role in preventing African-American women from slipping into poverty during retirement years, more so than among white women.

Compared with the older women described in this study, younger generations of women will have quite different marriage patterns and employment experiences. Younger women will have more continuous work experience by the time they retire. They will have more education and many will have engaged in different and sometimes more remunerative occupations. Yet, women continue to face a substantial wage gap throughout their working lives, as well as discontinuities in employment due to caregiving responsibilities for children and other family members.

Retirement income based on women's own employment and earnings is likely to be even more important for the economic well-being of the future generation of women retirees, given dramatic changes that occurred in women's marriage patterns—high rates of divorce, re-marriage, and being never-married. These are the patterns shown in this study to be associated with an increasing likelihood of poverty over women's life course, especially at older ages. While marriage for older cohorts of women has been crucial in protecting themselves against poverty, marriage is not likely to play such a large role for younger cohorts of women who have substantially different marital histories.

For those women who are able and want to work longer, it will be important to examine the extent of barriers and the kinds of challenges facing older women workers. Some women may be able to work only part time, but employers may be unwilling or unable to offer part-time jobs that older women can do. Changes in pension law could allow more workers to continue working at reduced hours for the same employer while receiving partial pension benefits. Making Medicare the primary rather the secondary health insurance provider for older workers might also make the older worker a more attractive employee (Butrica, Smith, and Steuerle, 2006). At present many employers offer buyouts for older workers when they are downsizing. Older workers who lose their jobs tend to remain unemployed longer than younger workers as

they are often seen as too expensive to hire compared with younger workers. Although age discrimination in hiring is difficult to prove, some efforts towards enforcing age discrimination laws need to be made.

While healthier individuals may be able to work well past present retirement ages, not all women, especially those who have been employed in low-paying, physically-strenuous jobs may be able to do so. This means that increases in retirement ages for Social Security benefits, which will require women as well as men to work longer, will in fact be benefit cuts for those who cannot continue to work. Although increasing the age of retirement as life expectancy increases seems a logical policy, any such changes should be accompanied by making disability benefits more readily available at older ages and more effort to solve older age unemployment problems.

Although it is possible that more women retirees will have pension income given their greater labor force participation and pension coverage, the on-going changes in employer-provided pensions—such as increases in 401(k) plans and the prevalence of lump-sum distributions prior to retirement—generate rather uncertain future prospects of pension income for many women. The continuing concentration of many more women than men in low-wage jobs and the persistent gender gap in earnings also lead to continuing disadvantages in women's opportunities to prepare for financially secure retirement through pensions or other assets. It will be important for policy makers to focus on measures that extend pension coverage to many low-paying occupations typically engaged in by women and minority workers, and that encourage pension participation among employees. Ghilarducci (2006) offers many interesting suggestions for improvement of current private pension and retirement savings systems.

Although the majority of women receive Social Security benefits, some women either receive no benefits or have benefits too low to keep them from poverty. In the future, many more women retirees are likely to derive their benefits based on their own employment and earnings histories rather than based on their husbands' histories, in part due to their longer time in the labor force and in part due to the declining role of marriage (Meyer, Wolf, and Himes 2005). Yet the persistent wage gap may lead to Social Security benefits and other savings too low to support a decent retirement. It is important to improve the Social Security system in ways that can improve the financial security of future women retirees. For example, a basic minimum benefit taking into account not only years of employment but years spent in care for children or elderly relatives might be used to offset low benefits based on later retirement eligibility or changed benefit formulas. Without accompanying policy measures providing improved bases for women's economic well-being over their life course, even greater economic vulnerabilities could face women in old age.

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**Table 1. Demographic Characteristics of Women in the NLS-MW:
1967, 1982, 1992, and 2001 (Percentages)**

	Overall Sample ^a		Continuous Sample ^b	
	1967 (N = 5,077)	2001 (N = 2,297)	1967 (N = 2,102)	2001 (N = 2,102)
	Age Range	30 – 44	64 – 78	30 – 44
Race				
White	88.1	89.8	90.1	90.1
African American	10.7	9.1	8.9	8.9
Other	1.3	1.1	1.0	1.0
Total	100.0	100.0	100.0	100.0
Educational Attainment				
Less than high school	35.4	27.1	28.3	24.1
High school	46.2	43.1	48.8	44.1
Some college	9.8	15.7	11.3	16.9
College or more	8.5	14.1	11.6	14.9
Total	100.0	100.0	100.0	100.0
Marital Status				
Married	84.9	51.9	87.1	52.3
Widowed	2.0	33.1	1.7	32.7
Divorced/separated	8.0	11.8	6.6	11.8
Never married	5.1	3.2	4.5	3.1
Total	100.0	100.0	100.0	100.0
Health Status				
Good Health	81.6	54.2	85.8	54.7
Some limitations	12.2	16.0	10.0	16.2
Serious limitations	6.0	29.8	4.2	29.1
Total	100.0	100.0	100.0	100.0
Work Status				
Working	47.4	13.0	41.0	13.3
Not working	52.7	87.0	59.0	86.7
Total	100.0	100.0	100.0	100.0

Note: Percentages are based on weighted samples; sample sizes are unweighted totals.

^aThe overall sample includes all women who were surveyed and had valid data for the given year.

^bThe continuous sample includes women who participated in all four years of surveys in 1967, 1982, 1992, and 2001 which are the main years analyzed in the study.

Source: National Longitudinal Survey of Mature Women (NLS-MW).

Table 2. Poverty and Near-Poverty Rates among Women in the NLS-MW, 1967 – 2001^a

Year	Age Range	Overall Sample ^b			Continuous Sample ^c		
		Poor	Near Poor	(%)	Poor	Near Poor	(%)
		(%)	(N)	(N)	(%)	(%)	(N)
1967	30 – 44	13.1	10.0	(5,077)	12.9	10.2	(2,102)
1982	45 – 59	9.0	7.5	(3,498)	7.6	7.0	(2,102)
1992	55 – 69	11.5	9.3	(2,953)	9.4	8.1	(2,102)
2001	64 – 78	17.8	15.2	(2,297)	16.7	14.5	(2,102)

Note: Percentages are based on weighted samples; sample sizes are unweighted totals.

^a Respondents are “poor” if the ratio of their family income to the official poverty threshold is below 1.00.

Respondents belong to “near poor” category if the ratio is between 1.00 and 1.49.

^b The overall sample includes all women who were surveyed and had valid data for the given year.

^c The continuous sample includes women who participated in all four years of surveys in 1967, 1982, 1992, and 2001.

Source: NLS-MW.

Table 3. Poverty and Near-Poverty Rates by Race and Marital Status among Women in the NLS-MW, 1967 – 2001^a (Continuous Sample Only)

Whites									
Year	Age Range	Married			Unmarried			Total (N = 1,557)	
		Poor (%)	Near Poor (%)	Total (N)	Poor (%)	Near Poor (%)	Total (N)	Poor (%)	Near Poor (%)
1967	30 – 44	8.7	8.8	(1,386)	18.0	15.9	(171)	9.7	9.6
1982	45 – 59	3.3	4.6	(1,208)	14.3	11.1	(349)	5.8	6.1
1992	55 – 69	4.1	4.7	(1,060)	13.6	12.8	(497)	7.1	7.3
2001	64 – 78	7.1	7.6	(846)	22.9	20.9	(711)	14.3	13.6

African Americans									
Year	Age Range	Married			Unmarried			Total (N = 518)	
		Poor (%)	Near Poor (%)	Total (N)	Poor (%)	Near Poor (%)	Total (N)	Poor (%)	Near Poor (%)
1967	30 – 44	34.8	18.1	(338)	63.0	15.5	(180)	44.3	17.2
1982	45 – 59	17.3	15.5	(259)	36.1	19.0	(259)	26.4	17.2
1992	55 – 69	20.0	11.3	(190)	42.6	21.3	(328)	33.5	17.3
2001	64 – 78	25.4	21.2	(126)	47.7	21.0	(392)	41.7	21.1

Note: Percentages are based on weighted samples; sample sizes are unweighted totals.

^a Respondents are “poor” if the ratio of their family income to the official poverty threshold is below 1.00. Respondents belong to “near poor” category if the ratio is between 1.00 and 1.49. The statistics are for the continuous sample of women who participated in all four years of surveys in 1967, 1982, 1992, and 2001.

Source: NLS-MW.

Table 4. Changes in Women's Life Course and Poverty Status Between 1967 and 1982: Pre-Retirement Years

	Whites				African Americans			
	Distribution		Poverty Rates ^a		Distribution		Poverty Rates	
	%	(N)	1967	1982	%	(N)	1967	1982
By Age Group								
Age 45-52 in 1982	48.0	(1,208)	10.9	5.4	50.4	(460)	47.9	29.2
Age 53-59 in 1982	52.0	(1,292)	8.7	8.0	49.6	(485)	36.0	28.3
By Marital Status^b								
Married in '67 & '82	73.8	(1,845)	7.8	3.5	44.6	(410)	33.0	19.9
Became married by '82	2.9	(74)	12.5	3.7	6.5	(59)	55.9	13.1
Became unmarried by '82	14.7	(368)	11.7	18.1	21.5	(206)	32.6	39.3
Unmarried in '67 & '82	8.5	(213)	22.5	16.8	27.4	(270)	60.6	38.8
By Labor Force Status								
Work in '67 & '82	30.8	(767)	6.2	2.9	40.6	(366)	26.6	13.3
No work to work by '82	25.2	(624)	9.9	3.4	15.4	(149)	51.1	21.7
Work to no work by '82	13.6	(343)	9.3	14.1	21.7	(199)	41.0	39.6
No work in '67 & '82	30.4	(766)	13.5	10.1	22.4	(231)	64.7	51.2
By Health Status								
Good health in '67 & '82	66.6	(1,655)	8.2	4.3	52.9	(485)	34.9	20.5
Poor to good health by '82	6.7	(164)	16.2	6.9	7.6	(69)	49.1	14.6
Good to poor health by '82	16.5	(422)	8.5	11.3	26.0	(255)	44.5	39.0
Poor health in '67 & '82	10.3	(259)	17.7	15.5	13.5	(136)	60.9	49.7
Total	100.0	(2,500)	9.8	6.7	100.0	(945)	42.0	28.8

Note: The calculation for poverty rates in 1967 and 1982 is based on women who had valid poverty information in both years.

(Percentages are based on weighted samples; sample sizes are unweighted totals.)

^a The poverty rate represents the percentage of women who live below the official poverty threshold.

^b The unmarried category includes widowed, divorced/separated, and never-married women.

Source: NLS-MW

Table 5. Changes in Women's Life Course and Poverty Status Between 1982 and 1992: Pre-Retirement and Early Retirement Years

	Whites					African Americans				
	Distribution		Poverty Rates ^a			Distribution		Poverty Rates ^a		
	%	(N)	1982	1992	Rate change	%	(N)	1982	1992	Rate change
By Age Group										
Age 55-62 in 1992	48.5	(1,001)	5.3	9.0	3.7	54.9	(393)	27.1	34.1	7.0
Age 63-69 in 1992	51.5	(1,044)	8.0	8.9	0.9	45.1	(359)	22.5	33.3	10.8
By Marital Status^b										
Married in '82 & '92	64.1	(1,317)	3.2	4.5	1.3	37.3	(256)	14.3	19.5	5.2
Became married by '92	2.4	(47)	18.0	16.5	-1.5	2.9	(17)	----	----	----
Became unmarried by '92	12.5	(255)	4.4	15.2	10.8	14.6	(124)	18.2	41.8	23.6
Unmarried in '82 & '92	21.0	(426)	17.2	17.9	0.7	45.3	(355)	35.2	43.7	8.5
By Labor Force Status										
Work in '82 & '92	31.2	(632)	3.6	3.6	0.0	30.5	(214)	11.6	14.1	2.5
No work to work by '92	6.8	(139)	3.6	3.3	-0.3	4.5	(27)	31.3	24.4	-6.9
Work to no work by '92	26.9	(546)	3.0	8.5	5.5	30.2	(225)	19.1	36.4	17.3
No work in '82 & '92	35.1	(728)	12.8	15.2	2.4	34.9	(286)	41.0	49.8	8.8
By Health Status										
Good health in '82 & '92	56.0	(1,136)	3.4	5.1	1.7	44.2	(299)	13.8	23.0	9.2
Poor to good health by '92	6.2	(127)	8.5	9.8	1.3	4.9	(40)	16.8	37.0	20.2
Good to poor health by '92	18.3	(377)	8.0	13.9	5.9	21.3	(171)	26.0	38.3	12.3
Poor health in '82 & '92	19.5	(405)	14.3	15.2	0.9	29.6	(242)	42.4	45.9	3.5
Total	100.0	(2,045)	6.7	9.0	2.3	100.0	(752)	25.0	33.7	8.7

Note: The calculation for poverty rates in 1982 and 1992 is based on women who had valid poverty information in both years.
 (Percentages are based on weighted samples; sample sizes are unweighted totals.)

^a The poverty rate represents the percentage of women who live below the official poverty threshold.

^b The unmarried category includes widowed, divorced/separated, and never-married women.

Source: NLS-MW

Table 6. Changes in Women's Life Course and Poverty Status Between 1992 and 2001: Early and Late Retirement Years

	Whites					African Americans				
	Distribution		Poverty Rates ^a			Distribution		Poverty Rates ^a		
	%	(N)	1992	2001	Rate Change	%	(N)	1992	2001	Rate change
By Age Group										
Age 64-71 in 2001	51.3	(827)	7.8	11.7	3.9	56.7	(292)	30.6	38.5	7.9
Age 72-78 in 2001	48.7	(769)	7.4	18.4	11.0	43.3	(242)	33.2	42.2	9.0
By Marital Status^b										
Married in '92 & '01	52.9	(845)	3.9	7.5	3.6	28.0	(123)	19.3	24.0	4.7
Widowed between '92 & '01	15.2	(243)	5.5	18.9	13.4	14.2	(73)	16.5	44.9	28.4
Widowed before '92	17.1	(277)	14.3	27.5	13.2	30.6	(188)	41.1	42.6	1.5
Unmarried in '92 & '01	13.3	(208)	15.8	25.5	9.7	26.4	(144)	41.6	52.7	11.1
Became married by '01	1.5	(23)	--- ^c	---	---	0.8	(6)	---	---	---
By Labor Force Status										
Work in '92 & '01	11.4	(184)	3.8	5.9	2.1	8.1	(48)	22.3	14.9	-7.4
No work to work by '01	2.0	(35)	12.3	4.6	-7.7	2.7	(15)	---	---	---
Work to no work by '01	29.1	(455)	3.5	14.4	10.9	29.8	(139)	13.3	34.4	21.1
No work in '92 & '01	57.5	(922)	10.2	17.4	7.2	59.4	(332)	41.9	46.4	4.5
By Health Status										
Good health in '92 & '01	46.4	(736)	5.0	8.8	3.8	30.3	(147)	22.8	29.3	6.5
Poor to good health by '01	9.6	(147)	9.5	15.6	6.1	8.4	(41)	35.4	39.3	3.9
Good to poor health by '01	19.5	(311)	4.8	16.9	12.1	23.4	(118)	27.1	44.2	17.1
Poor health in '92 & '01	24.5	(402)	13.9	24.7	10.8	37.9	(228)	41.2	46.6	5.4
Total	100.0	(1,596)	7.6	15.0	7.4	100.0	(534)	31.7	40.1	8.4

Note: The calculation for poverty rates in 1992 and 2001 is based on women who had valid poverty information in both years.
 (Percentages are based on weighted samples; sample sizes are unweighted totals.)

^a The poverty rate represents the percentage of women who live below the official poverty threshold.

^b The unmarried category includes widowed, divorced/separated, and never-married women.

^c Poverty rates are not calculated due to small sample sizes (less than 25).

Table 7. Logistic Regression Models for Older Women's Poverty in 2001 (Ages 64-78)

	Married Women				Unmarried Women			
	White		African American		White		African American	
	Coef.	(SE)	Coef.	(SE)	Coef.	(SE)	Coef.	(SE)
Constant	-3.07	(1.92)	-4.27	(3.07)	-2.66	(1.91)	2.38	(1.96)
Age in 2001	0.01	(0.03)	0.04	(0.04)	0.02	(0.03)	-0.03	(0.03)
Education completed								
Less than high school	0.63*	(0.25)	-0.16	(0.38)	0.86**	(0.26)	0.31	(0.26)
High school	----	----	----	----	----	----	----	----
Some college or more	-0.76*	(0.34)	-1.16 ⁺	(0.61)	-0.14	(0.29)	-0.80 ⁺	(0.44)
Marital status								
Married to unmarried in 1992-2001	0.87***	(0.23)	0.80*	(0.35)	----	----	----	----
Labor force status								
Working in 1992	-1.29*	(0.62)	-0.81	(0.76)	-0.54	(0.43)	-1.50**	(0.51)
Work to no work in 1992-2001	1.36*	(0.63)	0.83	(0.78)	0.82 ⁺	(0.43)	1.32*	(0.52)
Health status								
Good health in 1992	-0.41	(0.25)	-0.19	(0.42)	-0.67**	(0.28)	-0.40	(0.31)
Good to poor health in 1992-2001	0.38	(0.30)	-0.23	(0.52)	0.53 ⁺	(0.31)	0.61 ⁺	(0.35)
Husband's education completed								
Less than high school	0.47 ⁺	(0.25)	0.33	(0.41)	----	----	----	----
High school	----	----	----	----	----	----	----	----
Some college or more	-0.26	(0.30)	0.64	(0.68)	----	----	----	----
Previous poverty status in 1992								
Poor in 1992	1.81***	(0.35)	1.10**	(0.42)	0.75**	(0.29)	0.42 ⁺	(0.24)
-2 Log Likelihood	611.43		219.64		515.76		432.88	
(N)	(1,088)		(196)		(508)		(382)	
Percent in poverty in 2001	10.0		31.1		25.5		46.6	

Note: Standard errors are in parentheses. ⁺ $p < .10$, * $p < .05$, ** $p < .01$, *** $p < .001$ (two-tailed tests).

Table 8. Women's Past Prevalence of Poverty and Poverty Status in 2001 (Percentages)

Past poverty in 1967, 1982, and 1992	White			African Americans		
	Poverty Status in 2001			Poverty Status in 2001		
	Poor	Not poor	Total	Poor	Not poor	Total
Poor in none of 3 years	62.3	85.4	82.1	25.3	43.5	35.9
Poor in at least 1 year	37.8	14.6	17.9	74.7	56.5	64.1
Poor in 1 year	23.3	12.5	14.0	33.9	33.6	33.7
Poor in 2 years	11.1	1.8	3.1	27.5	15.8	20.7
Poor in all 3 years	3.3	0.3	0.8	13.3	7.1	9.7
Total	100.0	100.0	100.0	100.0	100.0	100.0
(N)	(233)	(1,324)	(1,557)	(225)	(293)	(518)

Note: Percentages are based on weighted samples; sample sizes are unweighted totals.

Source: NLS-MW.

Table 9-a. Income Sources by Poverty Status among White Women in 1967, 1982, 1992, and 2001

Sources of Income	1967		1982		1992		2001	
	(Ages 30 - 44)		(Ages 45 - 59)		(Ages 55 - 69)		(Ages 64 - 78)	
	Not Poor (N = 3,218)	Poor (N = 382)	Not Poor (N = 2,325)	Poor (N = 179)	Not Poor (N = 1,908)	Poor (N = 198)	Not Poor (N = 1,441)	Poor (N = 264)
% with Earnings	55.5	36.0	64.6	27.0	44.9	14.6	22.1	4.9
% with Asset Income	42.5	31.7	63.0	33.9	60.4	27.3	56.0	28.3
% with Social Security Income	0.7	2.3	3.1	3.5	49.6	41.5	92.2	71.4
% with Pension Income	2.9	2.0	3.5	3.3	23.4	12.9	32.4	27.2
% with Government Support	5.4	12.8	10.5	36.7	8.6	35.8	4.9	17.6
% with Disability Ins.	1.9	1.8	5.2	9.7	4.3	15.5	3.1	8.5
% with Unemployment Ins.	2.7	1.0	4.4	3.3	2.2	1.3	0.4	0.5
% with AFDC/TANF	0.9	7.6	0.7	4.3	0.3	1.2	0.0	0.8
% with Food Stamps	0.3	3.8	2.0	25.1	1.7	20.2	0.7	7.5
% with SSI	N/A	N/A	1.5	10.9	1.4	18.8	1.0	6.1

Note: Asset income includes income from interest, dividends, rent, or farm investment. Pension income includes government and private pensions, and IRA/Keogh income. Some women receiving government support income may have received income from more than one program. (Percentages are based on weighted samples; sample sizes are unweighted totals.)

Source: NLS-MW.

Table 9-b. Income Sources by Poverty Status among African American Women in 1967, 1982, 1992, and 2001

Sources of Income	1967		1982		1992		2001	
	(Ages 30 - 44)		(Ages 45 - 59)		(Ages 55 - 69)		(Ages 64 - 78)	
	Not Poor (N = 802)	Poor (N = 588)	Not Poor (N = 640)	Poor (N = 305)	Not Poor (N = 496)	Poor (N = 283)	Not Poor (N = 314)	Poor (N = 246)
% with Earnings	81.9	59.3	72.5	30.4	49.1	20.4	22.7	4.7
% with Asset Income	18.3	6.1	20.6	3.8	18.5	4.2	16.5	8.3
% with Social Security Income	1.3	2.9	4.5	8.3	46.2	44.7	82.6	69.0
% with Pension Income	2.7	3.4	4.2	2.4	20.7	12.6	39.9	11.2
% with Government Support	10.3	24.4	25.2	69.9	25.9	54.3	17.1	42.0
% with Disability Ins.	2.9	2.4	9.0	9.4	11.2	18.3	7.4	15.9
% with Unemployment Ins.	2.7	1.8	5.0	7.7	5.6	0.9	0.0	0.2
% with AFDC/TANF	5.0	18.5	4.6	18.9	3.5	6.2	0.6	1.2
% with Food Stamps	1.0	7.2	11.5	57.4	11.0	35.6	8.5	22.8
% with SSI	N/A	N/A	4.6	22.2	10.2	20.6	5.2	19.1

Note: Asset income includes income from interest, dividends, rent, or farm investment. Pension income includes government and private pensions, and IRA/Keogh income. Some women receiving government support income may have received income from more than one program. (Percentages are based on weighted samples; sample sizes are unweighted totals.)

Source: NLS-MW.

Table 10. Changes in Income Sources between 1992 and 2001 for Women Who Were Not Poor in 1992

	White				African American			
	Not Poor in 2001 (N = 1,288)		Became poor in 2001 (N = 184)		Not Poor in 2001 (N = 224)		Became poor in 2001 (N = 125)	
	1992	2001	1992	2001	1992	2001	1992	2001
% with Earnings	47.9	22.6	44.0	5.4	56.8	24.9	44.4	5.6
% with Asset Income	64.4	57.2	49.0	32.4	22.6	19.9	11.1	8.0
% with Social Security Income	46.3	92.2	52.0	72.2	44.9	82.5	42.4	63.1
% with Pension Income	23.3	33.9	23.7	33.1	26.5	44.4	14.2	15.9
% with Government Support	6.8	4.5	19.0	12.7	19.2	12.8	33.0	27.9

Note: Asset income includes income from interest, dividends, rent or farm investment. Pension income includes government and private pensions, and IRA/Keogh income. Income from government support programs includes AFDC/TANF, food stamps, SSI, disability payments, and unemployment insurance payments. (Percentages are based on weighted samples; sample sizes are unweighted totals.)

Source: NLS-MW.