

Fact Sheet



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Social Security and Black Women

As a social insurance program, Social Security provides millions of Americans with financial resources when they face challenges such as disability and lack of employment at older ages. While the protections Social Security offers benefit men and women of all racial and ethnic backgrounds and income levels, the program is particularly important for women and people of color, who tend to have fewer alternative sources of income, experience higher poverty rates, and earn less on average throughout their working years (Hartmann, Hayes, and Drago 2011).

Black women are one group for whom Social Security remains especially important. Not only do black households have an average annual income that is lower than the incomes of white households, they also experienced a decline of 4.4 percent in their income on average between 2008 and 2009 (DeNavas-Walt, Proctor, and Smith 2010). Moreover, black women experience disability at higher rates in their later years than do white women (Fuller-Thomson, et al. 2009). Because Social Security provides benefits until the end of one's life, offers support for those who become disabled, and returns a greater percentage of earnings to lower-wage workers it is an important source of income for black women, albeit one that could be further strengthened to better meet black women's needs.

Social Security Benefits Black Women

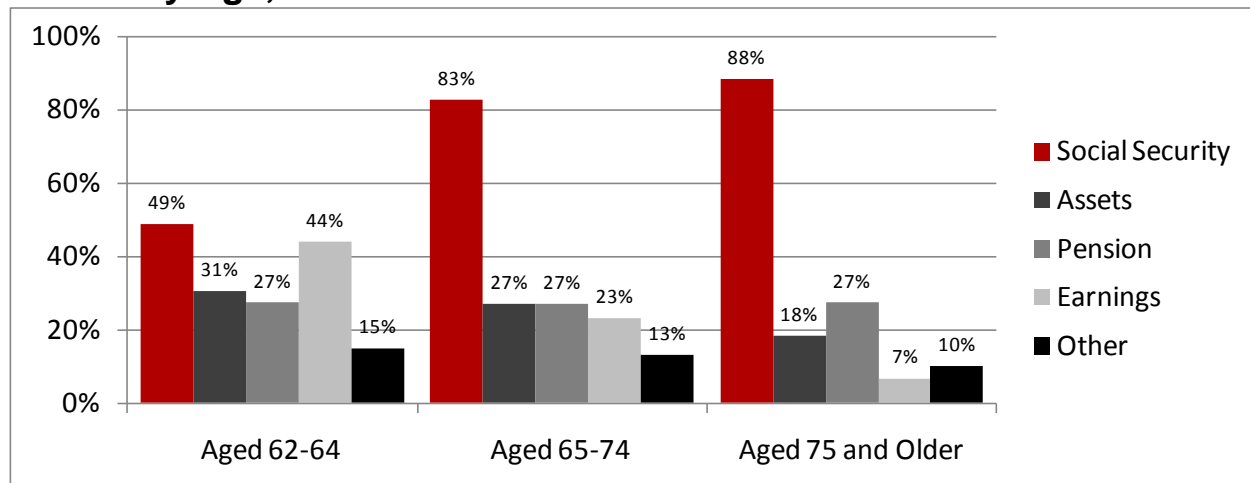
- 5.7 million of the total 52.5 million Social Security beneficiaries of all ages in the United States are black females and males with an average monthly benefit of \$905 (U.S. Social Security Administration 2011).
- Of the 5.7 million black Social Security beneficiaries in the United States, 2.8 million are black women, 2.0 million are black men, 742,000 are black children under age 18 (or age 18–19 and enrolled in school), and 172,000 are disabled black Americans who are the adult children of workers or former workers (U.S. Social Security Administration 2011).
- Black women (aged 62 and above) receive on average \$961 per month in Social Security benefits as retired workers and \$911 per month as disabled workers (U.S. Social Security Administration 2011).
- Twenty-six percent of black women who are Social Security beneficiaries receive disability benefits, compared with 12 percent of white women and 14 percent of adult women of all races and ethnicities combined (U.S. Social Security Administration 2011).
- Social Security helps black women who outlive their spouses to support themselves and their children. Fifteen percent of black women who are beneficiaries receive benefits as the survivors of deceased workers. They receive on average \$872 per month (U.S. Social Security Administration 2011).

Social Security is the Most Common Source of Income for Older Black Women

Social Security is the most common source of income for black women aged 62 and older, received by 49 percent of black women aged 62–64, 83 percent of those aged 65–74, and 88 percent of black women aged 75 and older (Figure 1). Earnings, the second most common income source for the youngest age group, are received by only 44 percent of black women aged 62–64, 23 percent of those aged 65–74, and 7 percent of black women aged 75 and older.

Assets are the next most common source of income for the youngest old, but become less common as people age and assets are spent down. Income from assets (dividends on investments, interest on savings, or rent from property) is received by 31 percent of black women aged 62–64, 27 percent of black women aged 65–74, and just 18 percent for those aged 75 and older. Slightly more than one in four (27 percent) of black women in all three age groups receives income from a pension (Figure 1).

Figure 1. Percent of Older Black Women Receiving Income from Each Source by Age, 2009.



Source: IWPR calculations based on 2010 Current Population Survey Annual Social and Economic (ASEC) Supplement Survey (King, et al. 2010).

Social Security Benefits are Modest in Size, but Constitute the Largest Share of Income Received by Older Black Women

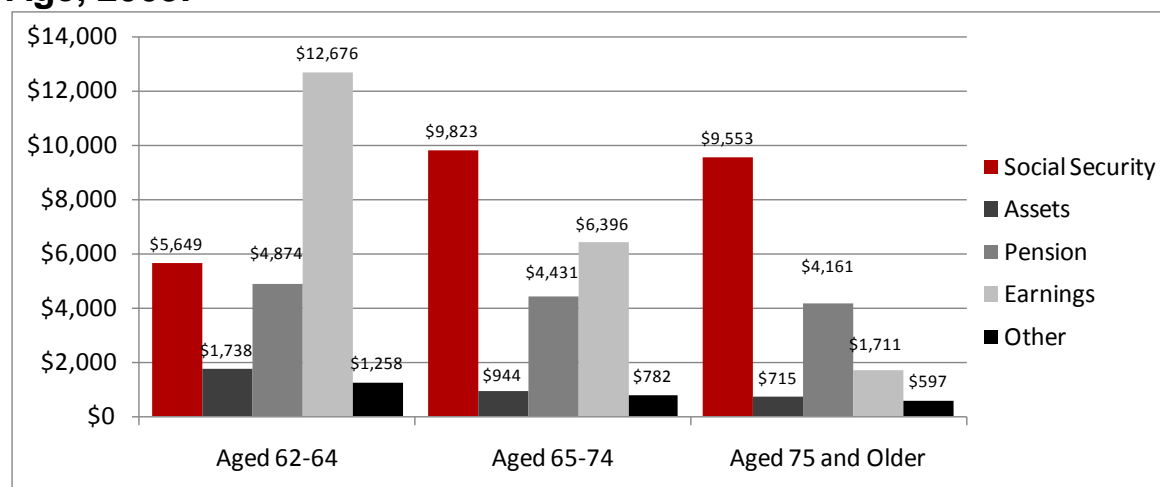
Black women aged 75 and older have an average annual income of \$16,738, significantly less than those aged 65–74 (\$22,375) and 62–64 (\$26,195). As shown in Figure 2, Social Security is the largest source of income for the two older groups and the second largest for black women aged 62–64.

In all three age groups, however, the annual benefits black women receive from Social Security are modest in size. In 2009, black women aged 75 and older received on average \$9,553 in Social Security benefits, compared with \$9,823 for those aged 65–74 and \$5,649 for those aged 62–64 (Figure 2).

These benefits for the two older groups are lower than those received by women and men of all races and ethnicities considered together. Among Americans aged 75 and older, women receive average annual benefits of \$11,585, compared with \$13,864 for men. Among those aged 65–74 the average annual benefit amounts are slightly less, with women receiving \$10,274 and men receiving \$13,409. Women aged 62–64 receive on average \$4,356 per year in benefits compared with \$4,689 for men (Hartmann, Hayes, and Drago 2011). In the group of the youngest old, then, black women receive more Social Security than other women, perhaps because of their higher rates of disability.

For black women aged 62 and older, other sources of income are small and decline across the age groups shown in Figure 2. Average annual income from assets in 2009 was \$1,738 among black women aged 62–64, \$944 for those aged 65–74, and \$715 for those aged 75 and older. Pension incomes are also larger on average for black women aged 62–64 (\$4,874) than for those aged 65–74 (\$4,431) and 75 and older (\$4,161). Unlike Social Security, most pensions are not usually adjusted for increases in the cost of living.

Figure 2. Average Amount Received from Each Income Source by Age, 2009.

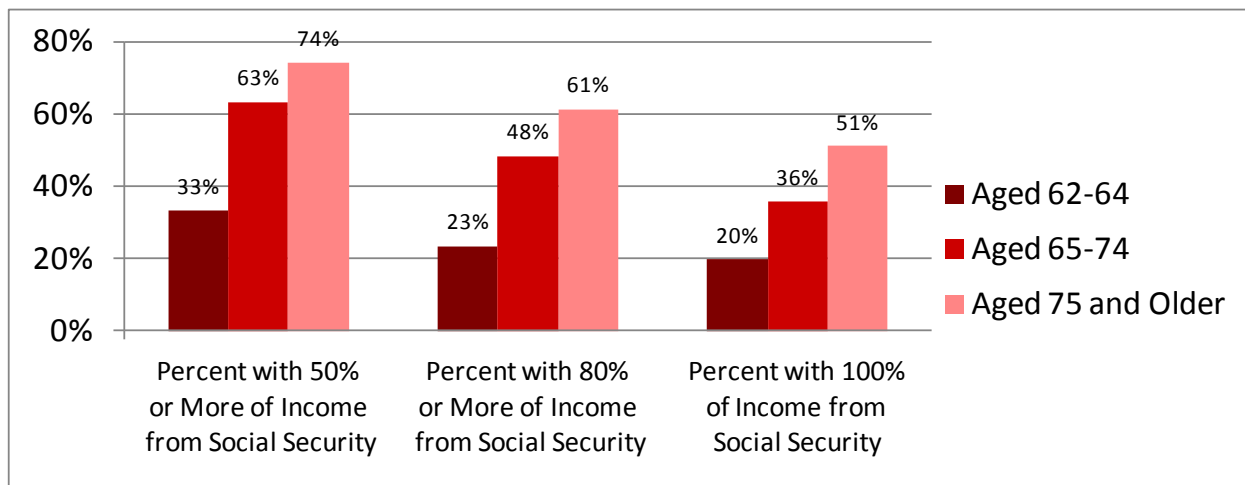


Source: IWPR calculations based on 2010 Current Population Survey Annual Social and Economic (ASEC) Supplement Survey (King, et al. 2010).

Social Security is Vital to Black Women's Economic Stability

Although Social Security benefits are modest, they provide a vital source of support to black women. Three out of four black women (74 percent) aged 75 and older rely on Social Security for at least half of their income and more than half (51 percent) rely on Social Security for all of their income (Figure 3). Even among black women aged 62–64, one in three (33 percent) relies on Social Security for more than half of their income and one in five (20 percent) relies on the program for all of their income.

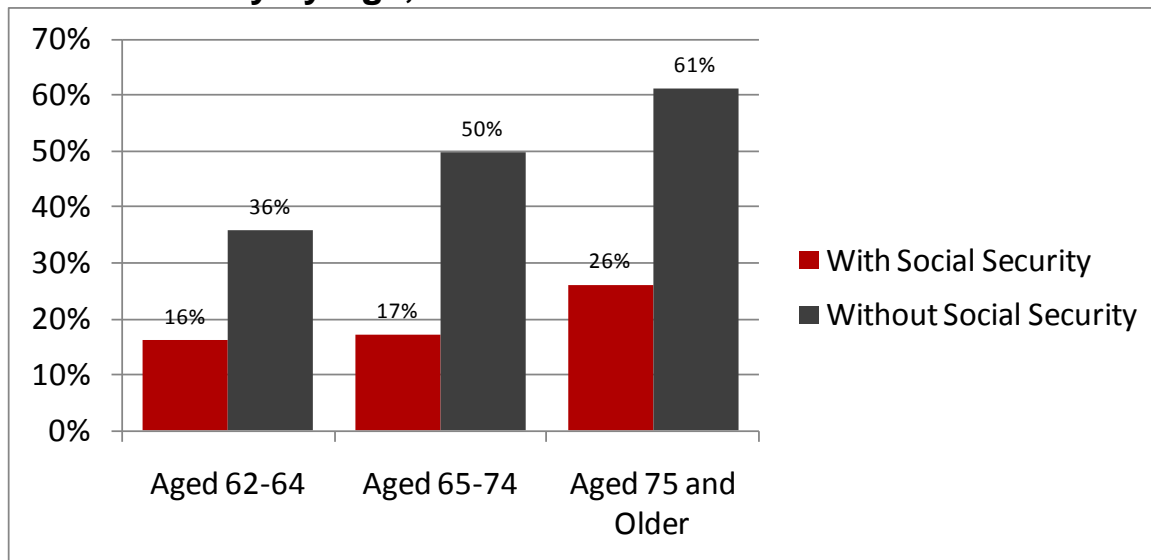
Figure 3. Older Black Women's Reliance on Social Security by Age, 2009.



Source: IWPR calculations based on 2010 Current Population Survey Annual Social and Economic (ASEC) Supplement Survey (King, et al. 2010).

As Figure 4 shows, without the income received by their families from Social Security, many more black women would be poor (would live in families or as individuals with incomes below the poverty threshold). Sixteen percent of black women aged 62–64 are living in poverty in 2009; without Social Security benefits, the poverty rate among black women of this age range would more than double to 36 percent. At ages 65–74, 17 percent of black women live below the poverty line, but this would be the case for half without Social Security. More than one in four black women aged 75 and older (26 percent) lives in poverty. However, without the Social Security benefits reported, six out of ten (61 percent) of black women aged 75 and older would have incomes below the poverty line.

Figure 4: Poverty Rates of Older Black Women With and Without Social Security by Age, 2009.



Source: IWPR calculations based on 2000 and 2010 Current Population Survey Annual Social and Economic (ASEC) Supplement Survey (U.S. Bureau of Labor Statistics and Bureau of the Census 2010.)

Conclusion

The modest size of Social Security benefits for black women indicates that the system could be improved to better meet black women's needs. Even with the Social Security benefits reported, many older black women have limited incomes. In addition, despite Social Security's disability benefits and its progressive nature that benefits those with lower earnings, the system's spousal benefits help black women less than they do other women. Specifically, individuals can qualify for Social Security benefits based on their own history as a worker, their spouse's work history, or both (called dually entitled). Black women are more likely to be single and when married more likely to be more equal earners with their husbands (Meyer, Wolf, and Himes 2005), so the spousal benefits which were designed primarily for non-working wives may not help them very much (though they are available to divorced women who were married for at least ten years). Caregiving credits, which would add 'fictive earnings' to parents' work records would benefit single women who have children. Stronger minimum benefits for long-time, low-wage workers would also especially benefit black women.

While, as noted, Social Security could be improved to better address black women's needs, it currently provides a crucial source of income for black women of all ages, lifting many out of poverty. With less access to alternative sources of income, many older black women in particular remain reliant on Security Security—a reality that points to the need to safeguard and strengthen the program.

References

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