



Fact Sheet

IWPR #D495

April 2011

Latinas and Social Security

Social Security is a crucial source of income for many Americans. This is particularly true 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).

Latinas are one group for whom Social Security is especially important. This is, in part, because Latinas have a higher life expectancy than the majority of the population: those who were age 65 in 2010 have an average life expectancy of 89 years, compared with 85 years for all women and Hispanic men and 82 years for all men (U.S. Social Security Administration 2010). Moreover, Latinas who participate in the labor force tend to be concentrated in low-wage jobs without pensions (League of United Latin American Citizens 2010). Because Social Security provides benefits even after other resources may be exhausted, is annually adjusted for inflation, and returns a greater percentage of earnings to lower-wage workers, it is a crucial form of support for Latinas.

Social Security Benefits Latinas of All Ages

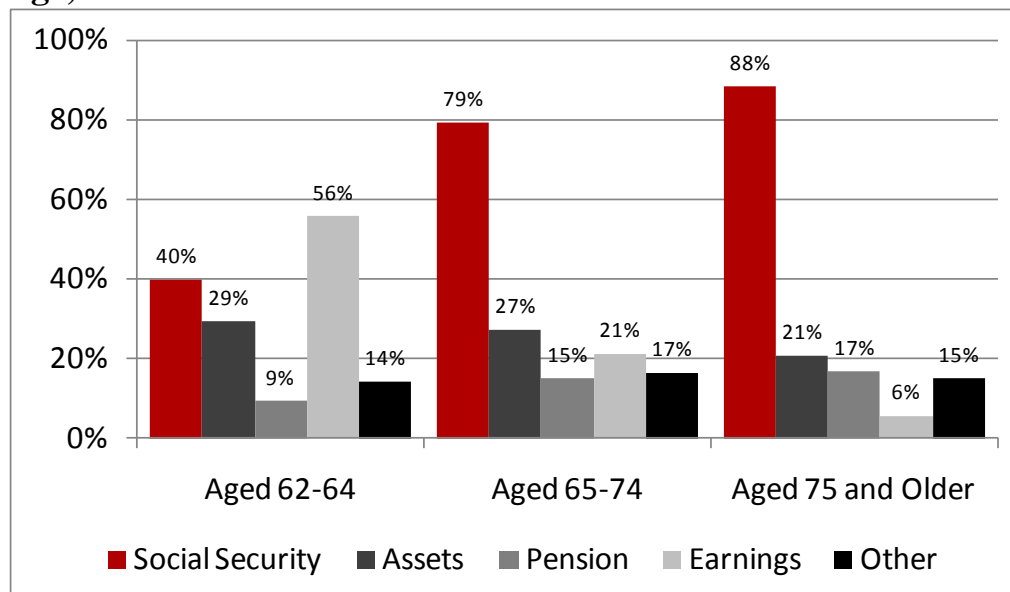
- At least 1.7 million of the total 52.5 million Social Security beneficiaries in the United States are Latinas aged 15 or older (U.S. Social Security Administration 2011).
- Of the 1.7 million Latina beneficiaries, 527,000 (31 percent) are under the age of 65 and 1,168,000 (69 percent) are aged 65 or older (U.S. Social Security Administration 2011).

Social Security is the Most Common Source of Income for Older Latinas

Eighty-eight percent of Latinas aged 75 or older receive income from Social Security, making Social Security the most common source of income for older Latinas (Figure 1). Less than half as many (40 percent) Latinas aged 62-64 receive income from Social Security; for those in this age group, earnings is the most common income source, received by 56 percent.

After age 64, few Latinas receive income from other sources. Income from assets (dividends on investments, interest on savings, or rent from property) is received by only 27 percent of all Latinas aged 65-74 and only 21 percent for those aged 75 and older. Only about one in six Latinas aged 65 and older receives income from a pension (15 percent among those aged 65-74 and 17 percent among those aged 75 and older).

Figure 1: Percent of Older Latinas 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).

The Social Security Benefits Latinas Receive are Modest in Size, but Constitute the Largest Share of Income for Older Latinas

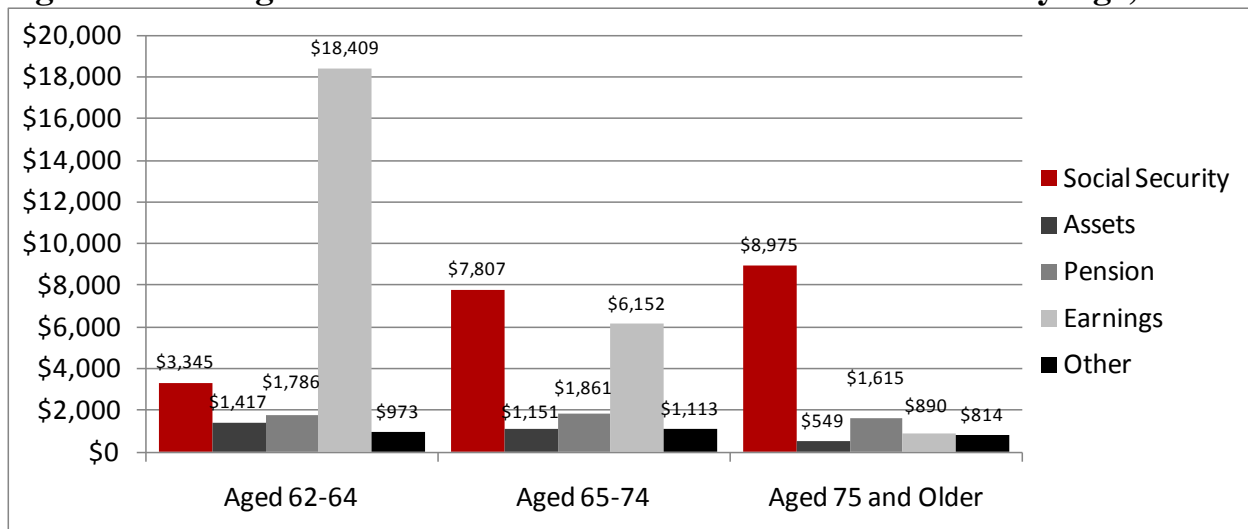
Latinas aged 75 and older have an average annual income of \$12,843, significantly less than those aged 65–74 (\$18,084) and 62–64 (\$25,930). As shown in Figure 2, while earnings provide the largest share of income for Latinas aged 62–64, Social Security is the largest source of income for the two older groups.

In all three age groups, however, the benefits Latinas receive from Social Security are modest in size. In 2009, Latinas aged 75 and older received on average \$8,975 in Social Security benefits, compared with \$7,807 for those aged 65–74 and \$3,345 for those aged 62–64 (Figure 2).

These benefits are lower than those received by women and men of all races and ethnicities combined. 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).

Other sources of income for Latinas are quite small and generally decline across the age groups (Figure 2). Average annual income from assets in 2009 was \$1,417 among Latinas aged 62–64, \$1,151 for those aged 65–74, and \$549 for those aged 75 and older. Pension incomes are more equal across the age groups but still minimal, with women aged 62–64 receiving on average \$1,786 compared with \$1,861 for those aged 65–74 and \$1,615 for those aged 75 and older.

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

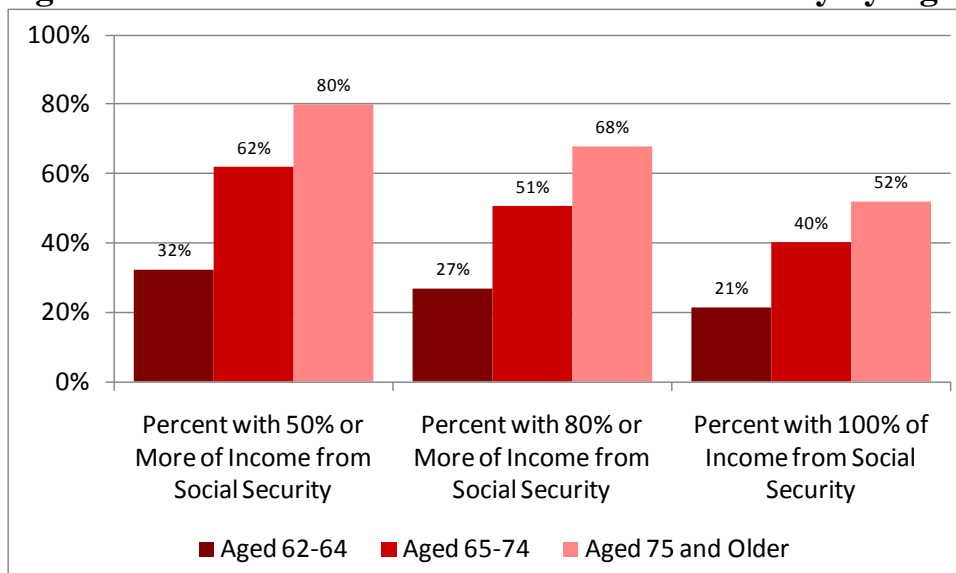


Source: IWPR calculations based on 2010 Current Population Survey Annual Social and Economic (ASEC) Supplement Survey (King, et al. 2010).

Social Security is Vital to Latinas' Economic Stability

Although Social Security benefits are modest, they provide a vital source of support to Latinas. Eighty percent of Latinas aged 75 and older rely on Social Security for at least half of their income and more than half rely on Social Security for all of their income (Figure 3). This is due, in part, to the lower likelihood that Latinas receive income from other sources. Even among Latinas aged 62-64, one in three (32 percent) relies on Social Security for more than half their income and one in five (21 percent) relies on the program for all of their income.

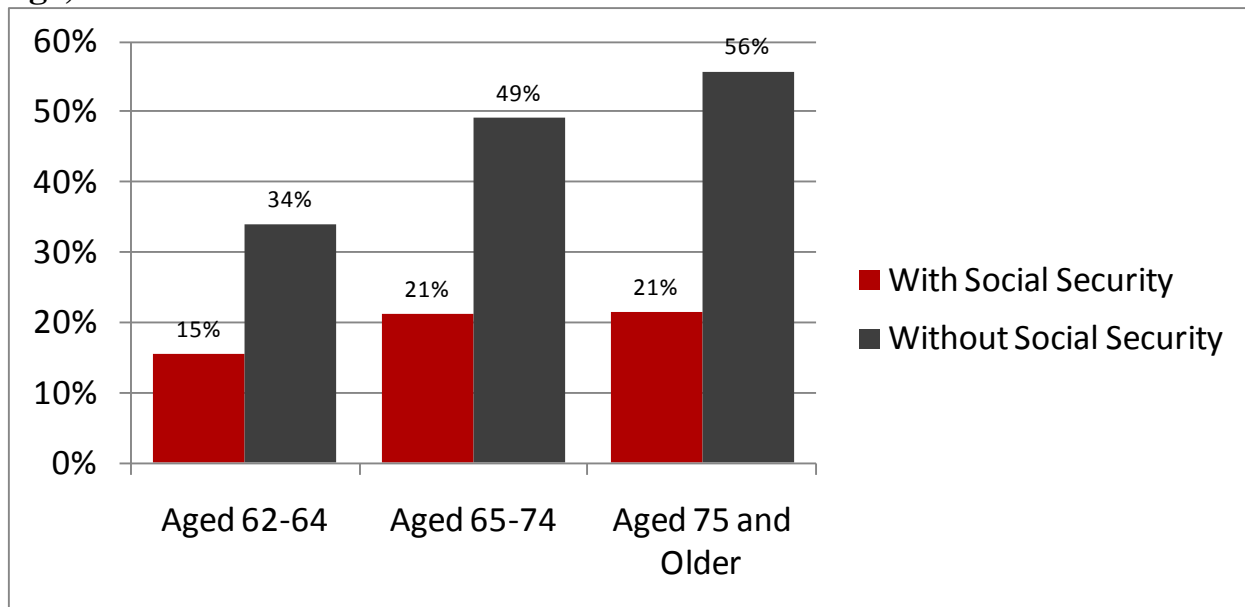
Figure 3: Older Latinas' Reliance on Social Security by Age, 2009.



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

Without the income received by their families from Social Security, many more Latinas would live in families with incomes below the poverty threshold (Figure 4). Fifteen percent of Latinas aged 62–64 are living in poverty in 2009; without Social Security benefits, the poverty rate among Latinas of this age range would more than double to 34 percent. At older ages (both 65–74 and 75 and older) one in five Latinas is living in poverty. However, without the Social Security benefits reported, 49 percent of Latinas aged 65–74 and 56 percent of those aged 75 and older would have incomes below the poverty threshold.

Figure 4: Poverty Rates of Older Latinas with and without Social Security by Age, 2009.



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

Conclusion

The modest nature of benefits for Latinas and poverty rates among this population indicates that Social Security could be improved. Approximately one-fifth of Latinas over the age of 65 live in poverty even with the Social Security benefits reported, suggesting that Social Security could be strengthened for those who have few alternative sources of income and receive lower benefits for a range of reasons. At the same time, Social Security provides a crucial form of support for Latinas of all ages, lifting many out of poverty, especially in the later years.

References

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This fact sheet was prepared by Jeffrey Hayes, Ph.D., Youngmin Yi, and Heather Berg with support provided by the Rockefeller Foundation. It is based on the report, *Social Security Especially Vital to Women of Color, Men Increasingly Reliant* (Hartmann, Hayes, and Drago 2011).

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