



Older Women and Poverty

Every day more than 10,000 people in the United States turn 65. From 1969 to 2020, the portion of people over age 65 who were poor fell dramatically—from more than 1 in 4 (27.3%) in 1969 to fewer than 1 in 10 (8.9%) in 2020.* However, from 2020 to 2021, the downward trend reversed. The portion of older people living in poverty increased from 8.9% to 10.3%—an increase of almost 1 million older people for a total of close to 6 million older individuals. Over the same year, the portion of older women living in poverty grew from 10.1% to close to 11.6% representing to one-half million women.ⁱ

What Is Poverty?ⁱⁱ

In the U.S., when we say someone is poor or falls below the “poverty threshold,” we mean that person’s annual income is below what is considered the annual minimum of cash income required to support a family of a given size. For those aged 65 and older the poverty threshold is lower than for those younger than 65. In 2022, for a single person 65 or older the poverty threshold was \$14,036. For those younger than 65, the threshold was \$ 15,225.ⁱⁱⁱ For a couple 65 and older the threshold was \$17,689. For a couple younger than age 65 the threshold was \$19,597.

Why Are Women More Likely than Men to Be Poor?

Diverse work patterns, and the gender pay gap generally mean that women earn less than men over a lifetime and are less likely to have pensions or retirement savings accounts. Research shows that 60% of unpaid caregivers are women. These women often forfeit pay, employee benefits, and pensions, and miss out on opportunities for compounded returns on 401(k) matching contributions or other retirement savings.^{iv} Additionally, a woman’s economic security can be at risk after the loss of a spouse through separation, divorce, or death. And, while working longer may be a successful strategy for achieving some level of economic security, it is not always possible. According to one study, more than half of women who were employed full time experienced an employer-related involuntary job separation after age 50.^v Additionally, older workers are more likely to have health problems or other work limitations. Any one or a combination of these factors can have a significant impact on a woman’s retirement income.

Longevity is another reason women fall into poverty. Life expectancy for women at age 65 is close to 20 more years—3 years longer than men.^{vi} While living longer can be good news, it also can mean that the money, if any, a woman has saved for retirement must be stretched to last longer. (See Figure 1.)

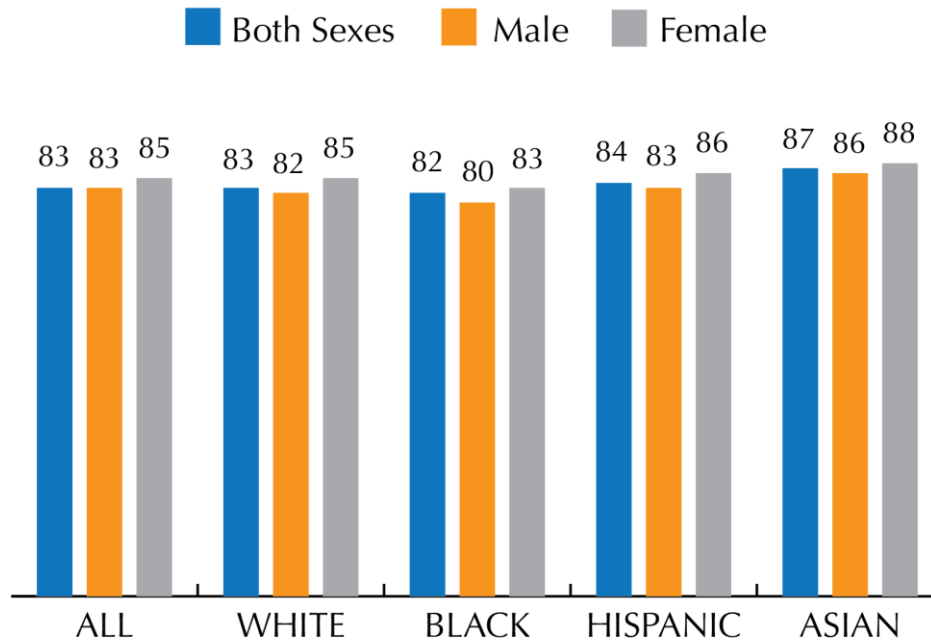
* Within this Fact Sheet, the terms “poor,” “poverty,” and “below the poverty threshold” will be used interchangeably.

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Figure 1:

LIFE EXPECTANCY AT AGE 65



Source: National Center for Health Statistics, National Vital Statistics System, Morbidity. Table: Provisional Life Expectancy by age, race, Hispanic origin and sex: United States 2021

How is Poverty Measured?

The U.S. Census Bureau issues two poverty measures every year. The Official Poverty Measure, unchanged since the mid-1960s, is based on cash income, such as Social Security benefits. It does not include non-cash benefits such as Medicaid or the Supplemental Nutrition Assistance Program (SNAP). Additionally, it does not vary geographically and does not consider other living costs such as housing or out-of-pocket medical expenses. The Supplemental Poverty Measure (SPM) was designed to supplement the official poverty measure. It takes into account regional differences in the cost of housing, utilities, work expenses, and includes the impact of both non-cash benefits received, such as SNAP, low-income tax credits, and essential expenses including medical out-of-pocket expenses.^{vii} The SPM poverty rate for the aged population was slightly higher than the official poverty rate (10.7% compared with 10.3% in 2021).^{viii} This higher poverty rate results largely from higher medical out-of-pocket costs among those 65 and older.^{ix}

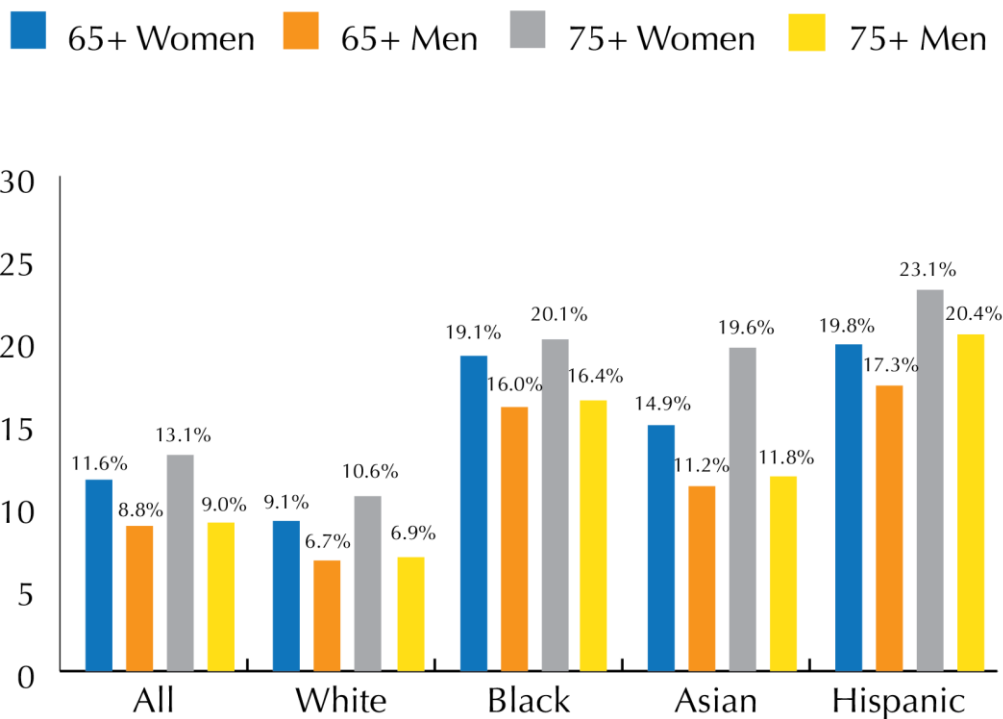
Are All Older Women Poor?

In 2021, the official poverty calculation for all women 65 and older showed that close to 12% (11.6) fell below poverty. However, when separated by “living alone” and “living in families,” the data show that 18.9% of women living alone were poor compared with 7.5 % of women living in families. In 2021,

among women 65 and older who lived alone, Hispanic women were the most likely to live in poverty (39.3%). The poverty rate was slightly lower for Asian women (32.6%), and African American women (27.5%). For older white women living alone, the poverty rate was lowest (14.7%). In contrast to older women, the overall poverty rate for men 65 and older in 2021 was 8.8%. Broken out by race and Hispanic origin, the portion of older African American and Hispanic men who were poor is larger than the portion of older white men who were poor (16.0%, 17.8% and 6.7% respectively).^{xi} However, the poverty rates for men over age 65 remain lower than those for women of the same age.

Age is also a factor. As women grow older, the portion of those in poverty increases. For women 75 and older in 2021, the overall poverty rate was 13.1% and for those living alone the rate increased to 18.8%. For women of color the poverty rates for those over age 75 and living alone increased to 37.8% of Asian women, 28.2% of African American women, and 41.1% of Hispanic women. White women of the same age and living alone had the lowest poverty rate of 14.8%. The poverty rates for all men over age 75 who were living alone increased from 12.8 in 2020 to 15.9% in 2021. Broken out by race and Hispanic origin, 23.6% of Asian men, 25.7% of black men, 38.1% of Hispanic men, and 12.1% of white men in this category fall below poverty. While the poverty rates for these men living alone increased, with the exception of Hispanic men, men’s poverty rates remained lower than women’s. (See Figure 2.)

Figure 2: PORTION OF WOMEN AND MEN AGES 65+ AND 75+ WHO ARE POOR

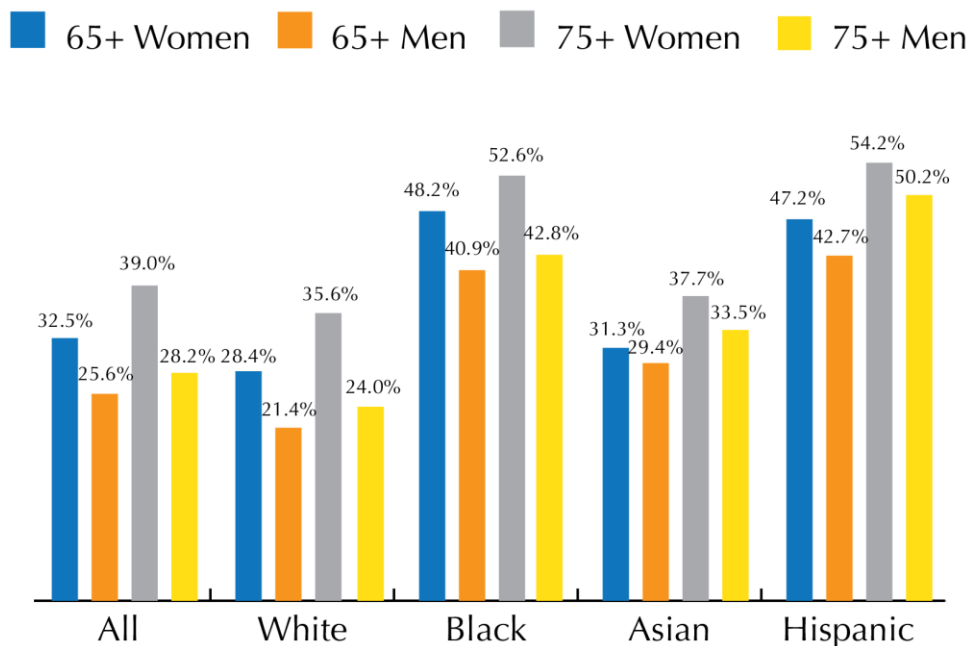


Source: U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplement, 2022

Who Are the Near Poor?

The “near poor” are generally defined as having income of up to twice the poverty threshold (for a single person older than age 65 it was approximately \$25,760 in 2021 and \$28,072 in 2022).^{xii} The data for those 65 and older who are near poor are consistent with the data for those who are poor. In all of the categories except Hispanic men 75 and older, women are poorer than men. (See Figure 3.)^{xiii}

Figure 3: PORTION OF WOMEN AND MEN AGES 65+ AND 75+ WHO ARE NEAR POOR



Source: U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplement, 2022

Why is Social Security So Important to Older Women? Social Security is a vital source of retirement income for most women. Women represent close to 51% of all beneficiaries over age 62 and approximately 53% of all beneficiaries 85 and older. Among older Social Security beneficiaries, 37% of men and 42% of women receive 50% or more of their income from Social Security and 12% of men and 15% of women rely on Social Security for 90% or more of their income.^{xiv} In addition to providing a stable base of income to workers of all income levels, Social Security serves as an important anti-poverty program. In 2020, the program lifted more than 16 million older individuals out of poverty and kept 38% of those 65 and over from becoming poor, including more than 9.5 million women.^{xv}

Unfortunately, even with the annual cost-of-living adjustment keeping up Social Security benefits with inflation, older women are still more likely than older men to be poor or near poor. In 2021, the average annual Social Security worker’s benefit received by retired women was approximately \$17,800 (below the 150% of poverty amount of \$20,385 for a single individual) compared with \$22,056 (slightly above 150% of poverty) for men.^{xvi}

- ⁱ U.S. Census Bureau, Current Population Survey (2022), *Historical Poverty Tables: People and Families -1959 to 2021*. <https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-poverty-people.html>
- ⁱⁱ For a more complete description of how the U.S. Census Bureau measures poverty see: <https://www.census.gov/topics/income-poverty/poverty/guidance/poverty-measures.html>
- ⁱⁱⁱ U.S. Census Bureau, (2023), *Poverty Threshold by Size of Family and Number of Children Preliminary Estimates of Weighted Average Poverty Thresholds for 2022*. <https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-poverty-thresholds.html>
- ^{iv} National Alliance for Caregiving and AARP, *Caregiving in the U.S. 2020: A closer look at the experiences of caregivers today*. (Accessed April 18, 2023)
- ^v R. W. Johnson and P Gosselin, *How Secure is Employment at Older Ages?* December 2018, The Urban Institute. <https://www.urban.org/research/publication/how-secure-employment-older-ages> (Accessed April 18, 2023)
- ^{vi} Arias E, Tejada-Vera B, Kochanek KD, Ahmad FB. *Provisional life expectancy estimates for 2021. Vital Statistics Rapid Release; no 23*. August 2022. National Center for Health Statistics. <https://www.cdc.gov/nchs/data/vsrr/vsrr023.pdf> (Accessed April 18, 2023)
- ^{vii} Congressional Research Service, *The Supplemental Poverty Measure: Its Core Concepts, Development, and Use*. (Updated July 2022) <https://crsreports.congress.gov/product/pdf/R/R45031>
- ^{viii} U.S. Census Bureau, (2022) *Supplemental Poverty Measure*, <https://www.census.gov/data/tables/2022/demo/income-poverty/p60-277.html>
- ^{ix} . Congressional Research Service (updated December 2022) *Poverty Among the Population Aged 65 and Older*. <https://sgp.fas.org/crs/misc/R45791.pdf> (Accessed April 18, 2023)
- ^x Under the SPM, "...children have a comparatively lower poverty rate, and the aged (65 and older) have a comparatively higher poverty rate. Among working age persons (18 to 64), the SPM poverty rate was lower than the official rate in 2020, although in previous years the reverse was true. These differences can be explained by the SPM's resource definition." <https://crsreports.congress.gov/product/pdf/R/R45031>
- ^{xi} U.S. Census Bureau, *Current Population Survey*, Annual Social and Economic Supplement (2022) *Poverty Status in 2021*. <https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-pov/pov-01.html>
- ^{xii} U.S. Census Bureau, *Current Population Survey*, Annual Social and Economic Supplement (2022), *Poverty Status in 2021*. https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-pov/pov-01.html#par_textimage_30 and U.S. Census Bureau, *Current Population Survey*, Annual Social and Economic Supplement, (2023), *Poverty Thresholds for 2022*. <https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-poverty-thresholds.html>
- ^{xiii} U.S. Census Bureau, *Current Population Survey*, Annual Social and Economic Supplement (2022), *Poverty Status in 2021*. <https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-pov/pov-01.html>
- ^{xiv} U.S. Social Security Administration (2023), *Fact Sheet: Social Security* <https://www.ssa.gov/news/press/factsheets/basicfact-alt.pdf>
- ^{xv} Kathleen Romig, *Social Security Lifts More Americans Above Poverty Than Any Other Program (Updated April 2022)*. The Center for Budget and Policy Priorities. <https://www.cbpp.org/research/social-security/social-security-lifts-more-people-above-the-poverty-line-than-any-other> (Accessed April 18, 2023)
- ^{xvi} U.S. Social Security Administration (2022), *Annual Statistical Supplement, 2022, Table 5.B9*. (Accessed April 18, 2023). <https://www.ssa.gov/policy/docs/statcomps/supplement/2022/5b.html#table5.b9>