



# The Economic Status of Older Women

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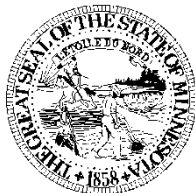
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## Acknowledgements

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## Status Report

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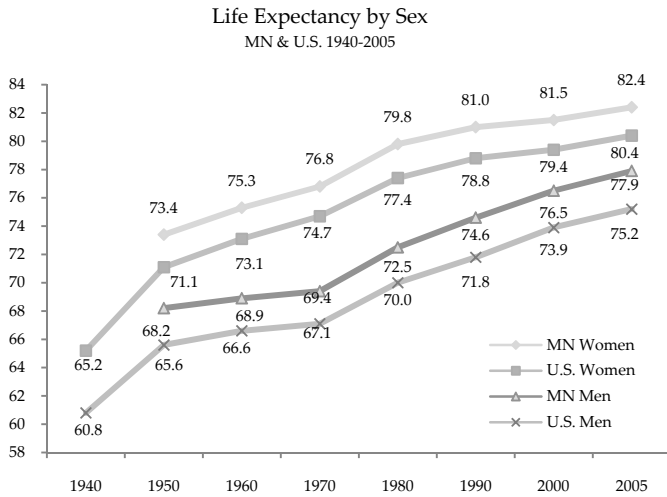
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### The Office on the Economic Status of Women

The Office on the Economic Status of Women advises the legislature and provides information and statistics on women in Minnesota. The office gathers information on population characteristics, educational attainment and enrollments, marital and parental status, household characteristics, labor force status and employment characteristics, and basic information on women's legal and economic rights.

# Population

## Life Expectancy in Minnesota and the United States



Sources: MN State Demographic Center and National Vital Statistics Reports

Women continue to live longer than men. However, the gap between the life expectancies of men and women, both nationally and in Minnesota has been decreasing since the 1970s.

•Life expectancy in 2005 for women in Minnesota was:

- 82.4 years at birth
- 21.0 years at age 65 years
- 10.2 years at age 80 years

•Life expectancy in 2005 for men in Minnesota was:

- 77.9 years at birth
- 18.1 years at age 65 years
- 8.3 years at age 80 years

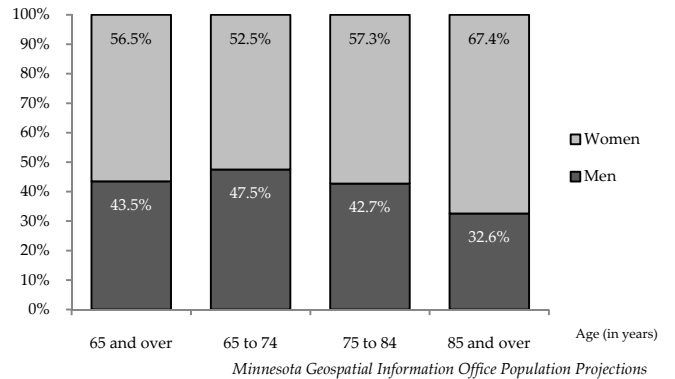
## Minnesota Population \*Age 65 Years and Over

Women are 56.5% of the projected population of persons age 65 years and over in Minnesota in 2010. The proportion of women in the population increases with age.

Women accounted for:

- 52.5% of people age 65 to 74.
- 57.3% of people age 75 to 84.
- 67.4% of people age 85 and older.

Distribution of Population Age 65 years and Over by Sex  
MN 2010 Projected

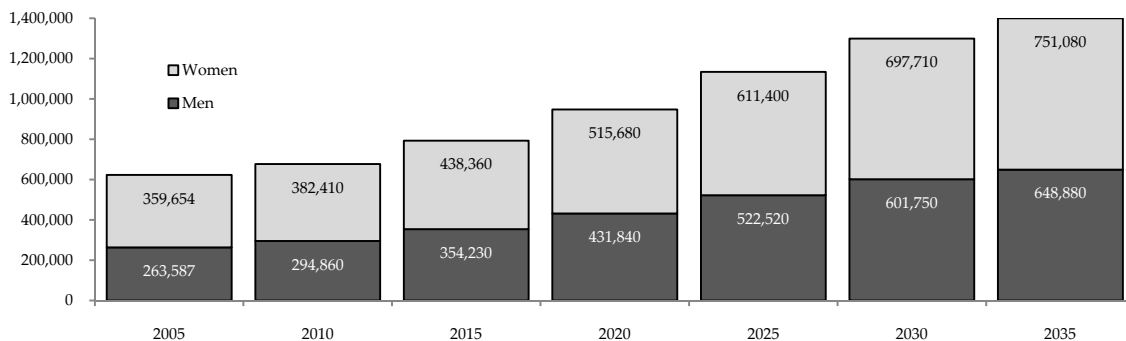


## Population Projections for the Minnesota Population Age 65 Years and Over

The population of women and men age 65 years and over in Minnesota will increase dramatically between 2005 and 2035 with the greatest increase expected after 2015.

- The number of Minnesotans age 65 years will increase from 12.0% in 2005 to about 21.7% in 2035.
- Between 2005 and 2035 it is projected that the population of women age 65 years and over will more than double (108.8%) from 359,654 to 751,080, with the highest increase in the age 75-84 segment (118.6%) from 126,990 to 277,590

Population Projections for the Minnesota Population Age 65 Years and Over by Sex  
MN 2005-2035



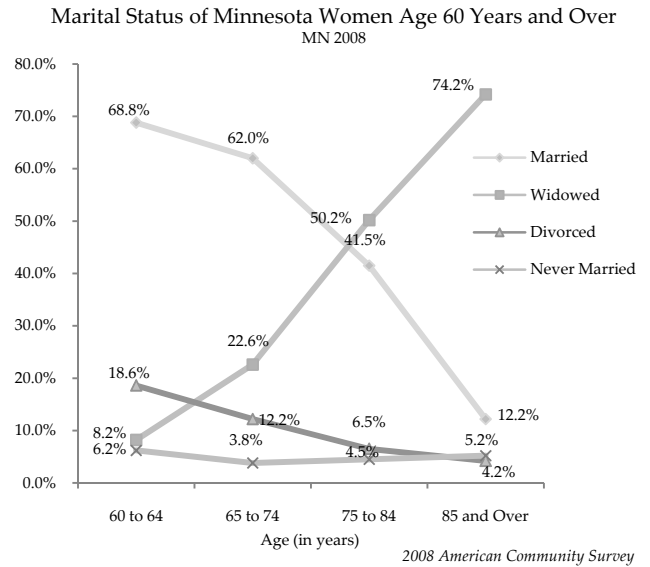
\*Note: Women are 50.2% of the overall population of the State of Minnesota of 5,181,962 persons (2008 American Community Survey)

## Population (continued)

### Marital Status of Minnesota Women Age 60 Years and Over

The proportion of women who are widowed begins to increase dramatically as women approach and move through retirement years.

- About 22.6% of Minnesota women age 65 to 74 years, 50.2% of women age 75 to 84 years, and 74.2% of women age 85 years and over were widowed in 2008.
- The increase in the percentage of women who were widowed by age corresponds to the decrease in the women who were married by age.



## Worklife

Worklife factors such as employment (e.g., working part-time or full-time), caregiving responsibilities, earnings and whether benefits such as pensions are offered affects financial status in retirement.

### Employment Status

Women are more likely to work part-time than men.

- In 2008, 15.5% of the 65 and older population participated in the US labor force. Within this population, women were 32.7% of full-time, year round workers, and 67.3% of part-time (or “not full-time”) workers.
- Of all employed Minnesota women, 70.2% worked full time, and 30.1% worked part-time in 2008.
- In 2008, 22.4% of women aged 65 and older worked full time in Minnesota and 77.6% worked part-time.

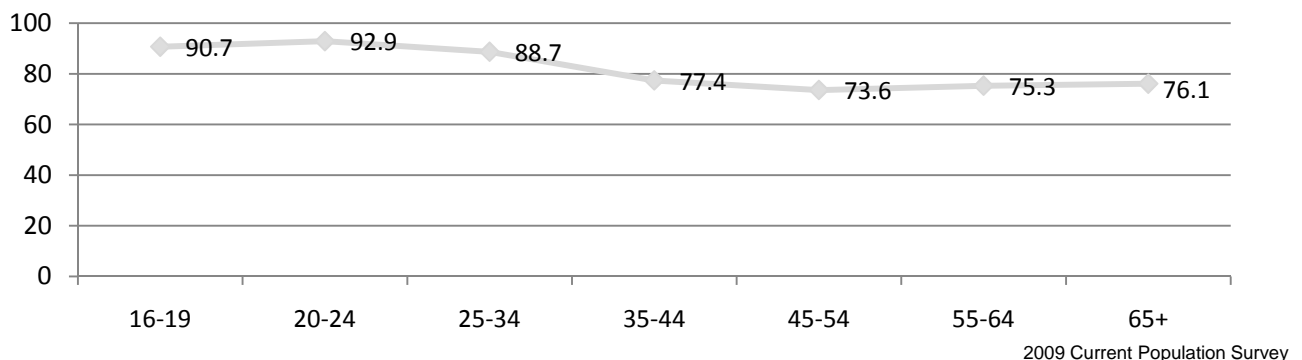
### Occupational Status

In 2008, for women who were full-time, wage and salary workers, the three most prevalent occupations were secretaries and administrative assistants, registered nurses, and elementary and middle school teachers.

### Annual and Weekly Median Earnings and Earnings Gap

The median annual earnings of Minnesota female full-time, year-round workers age 16 years and over were lower than their male counterparts. The 2008 annual median earnings of Minnesota female full-time, year-round workers were \$37,281. This is compared to annual median earnings of \$48,637 for Minnesota male full-time, year-round workers. This results 23.3% wage gap between men and women in Minnesota, also expressed as women earning 76.7% of men’s wages. Weekly figures follow:

### Women's Weekly Earnings as a Percent of Men's, U.S. 2009

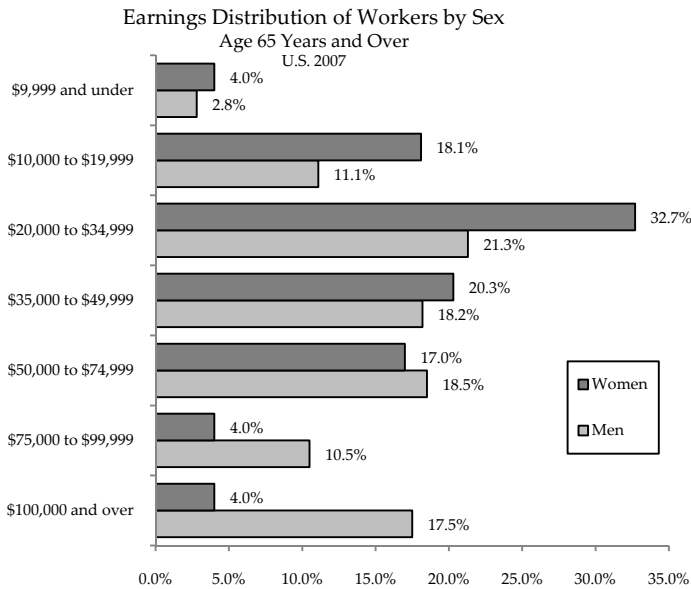
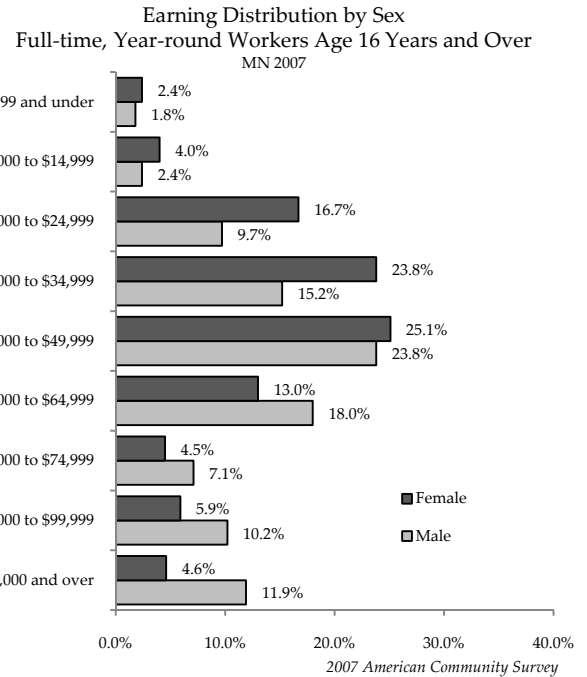


## Worklife (continued)

### Earnings Distribution in Minnesota

Minnesota female full-time, year-round workers age 16 years and over were more likely to have earnings in the lower end of the earnings distribution. Earnings of comparable male workers were distributed more evenly through the range of earnings.

- More than 1 in 5 (23.1%) Minnesota female full-time, year-round workers earned less than \$25,000 in 2007. This compared to just over 1 in 8 (13.9%) of their male counterparts.
- Nearly one-half (46.9%) of Minnesota female full-time, year-round workers, and less than one-third (29.1%) of comparable male workers had earnings below \$35,000 in 2007.
- Almost three-quarters (72.0%) of Minnesota female full-time, year-round workers and just over one-half (52.9%) of their male counterparts had earnings that were less than \$50,000 in 2007.
- Twenty eight percent (28.0%) of Minnesota female full-time, year-round workers had 2007 earnings of \$50,000 and over. Forty percent (39.4%) of comparable male workers had 2007 earnings at this level.



Source: U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplement, 2008

### Earnings of Workers Age 65 Years and Over, U.S.

In 2007, the median earnings of U.S. workers age 65 years and older were \$14,021 for women and \$24,323 for men.

- Women workers age 65 years and over were more likely to have earnings in the lower end of the earnings distribution. Earnings of comparable male workers were distributed more evenly through the range of earnings.
- Over half (54.8%) of U.S. women workers age 65 years and over earned less than \$35,000 in 2007. This compared to one-third (35.2%) of their male counterparts.
- Three-quarters (75.1%) of U.S. women workers age 65 and over, and more than one-half (53.4%) of comparable male workers had earnings below \$50,000 in 2007.

### Earnings Gap in the Population 65 years and Over

In 2009 the earnings gap, or ratio of female-to-male median weekly earnings, of full-time wage and salary workers, year-round Minnesota workers age 65 years and over was 76.1 percent.

### Labor Force Participation Rate, 65 years and Over

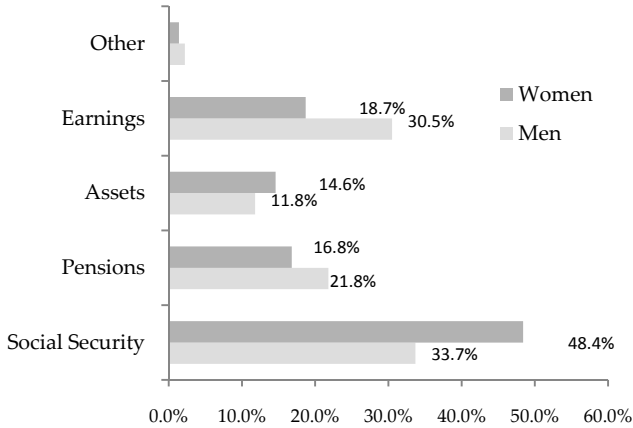
Women age 65 years and older have a lower rate of employment than their male counterparts. In 2008, just over 12.6% women age 65 years and older are employed compared to 21.4% of men in the same age range.

## Retirement Earnings

### Income

The percentage of elderly women's income coming from employment-based sources, has increased over time, reflecting the growing presence of women in the work force.

Distribution of the Older Population's Average Annual Income, by Source and Gender, U.S. 2008

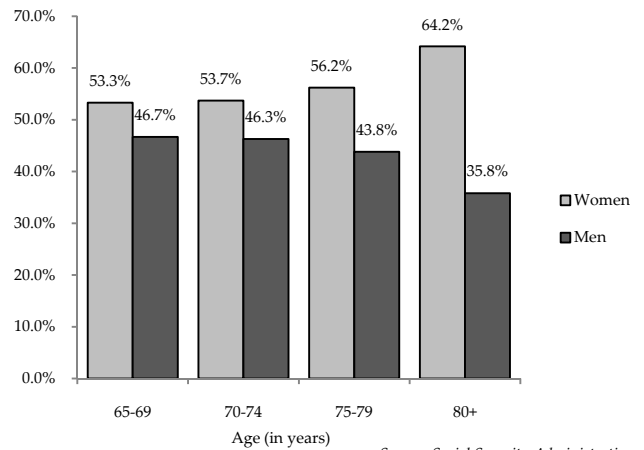


- In 1975, pensions and annuities accounted for 11.9 percent of older women's income and earnings accounted for 11.0 percent. By 2008, these percentages had increased to 16.8 percent and 18.7 percent, respectively
- Older women derived a greater share of their income from Social Security and assets than elderly men in 2008. By comparison, elderly men derived a larger share of their income from employment based sources, including pensions and annuities and earnings, than elderly women.
- In 2008, pensions and annuities accounted for 21.8 percent of elderly men's income, compared with 16.8 percent of elderly women's.
- Income from earnings accounted for 30.5 percent of the elderly men's income, compared with 18.7 percent of elderly women's.

### Social Security

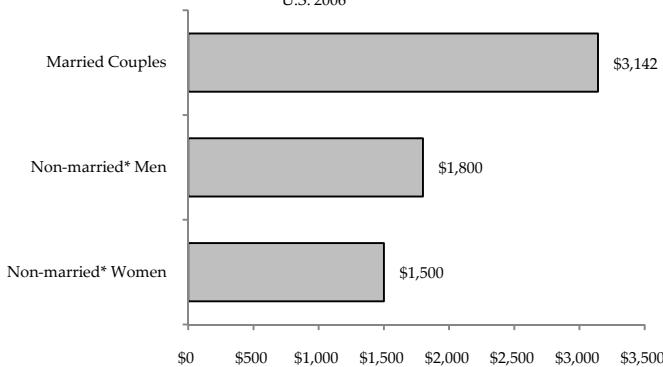
- About 20.4 million U.S. women aged 65 or older received benefits for December 2008.
  - About 41.9 percent were entitled solely to a retired-worker benefit.
    - About 29.6 percent were dually entitled to a retired-worker benefit and a wife's or widow's benefit.
    - About 28.5 percent were receiving wife's or widow's benefits only.
- Among retired workers, monthly benefits averaged \$1,299 for men and \$1,001 for women.
- For disabled workers, average monthly benefits were \$1,191 for men and \$920 for women.

Social Security Beneficiaries Age 65 Years and Over by Sex  
U.S. 2009



*Source: Social Security Administration, Annual Statistical Supplement 2009*

Median Annual Asset Income by Marital Status and Sex  
Age 65 Years and Over  
U.S. 2006



### Income from Assets

- Non-married women and non-married men are about equally likely to receive income from assets. Women receive a lower amount than men.
- Married couples receive higher income from assets than non-married women or men.

\*Non-married includes widowed, divorced, and never married  
Source: U.S. Social Security Administration

## Retirement Earnings (continued)

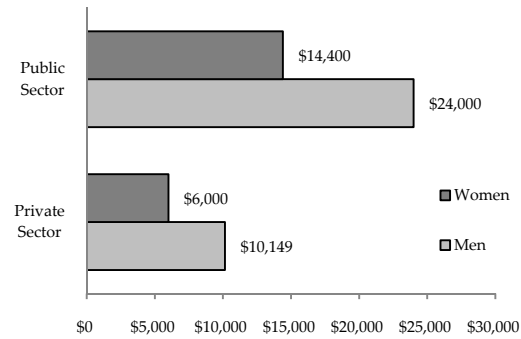
### Median Annual Pension and Annuity Income

In 2007, 27.9 percent of women age 65 and over received income from pensions and annuities.

Comparatively, 42.6 percent of men age 65 and over received income from pensions and annuities.

- The median annual public sector pension and annuity income for women age 50 years and over was 60 percent of men's median public sector pension and annuity income.
- The median annual private sector pension and annuity income for women age 50 years and over was 59.1 percent of men's median private sector pension and annuity income.

Median Annual Pension and Annuity Income by Industry and Sex  
Age 50 Years and Over  
U.S. 2007



*Source: Employee Benefit Research Institute*

## Poverty

### Minnesota Persons Age 65 Years and Over in Poverty

Women age 65 years and over are more likely to be in poverty than comparable men.

- In 2007, 1 in 6 (16.9%) women age 65 years and older were at 100% of the poverty line compared to 1 in 11 (9.2%) of men age 65 years and older at 100% of the federal poverty level\*.
- In 2007, over 1 in 3 (40.2%) women age 65 years and older were at 200% of the poverty line compared to 1 in 4 (25.4%) of men age 65 years and older at 200% of the federal poverty level\*.

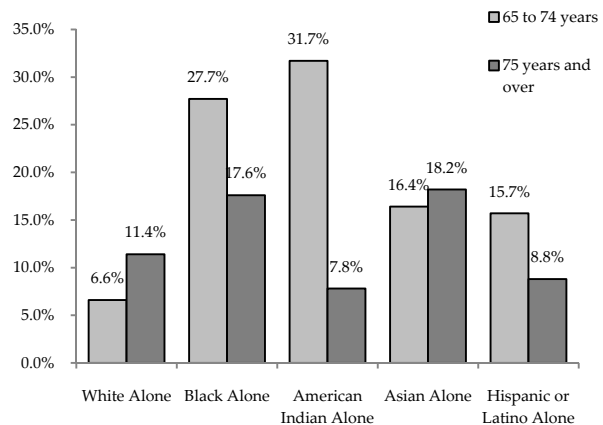
*\*Note: The gross yearly income for a family of four at 100% of the federal poverty level in the 48 contiguous states and the District of Columbia is \$22,050. The gross yearly income for a family of four at 200% of the federal poverty level in the 48 contiguous states and the District of Columbia is \$44,100.*

### Poverty Status of Minnesota Women Age 65 Years and Over by Race

Poverty status of women age 65 years and over varies widely by race and ethnic origin. The proportion of women in poverty increases with age for women of all races and ethnic origins.

- American Indian women age 65 years and over had the highest proportion of women in poverty in Minnesota in 2007.
- Nearly 1 in 3 (31.7%) American Indian women age 65 to 74 years and nearly 1 in 10 (7.8%) American Indian women age 75 years and over were in poverty in 2007.
- White women age 65 years and over had the lowest proportion of women in poverty compared to women of other race and ethnic groups.

Poverty Status of Women by Age and Race  
Age 65 Years and Over  
MN 2007



*Source: American Community Survey, 2007*

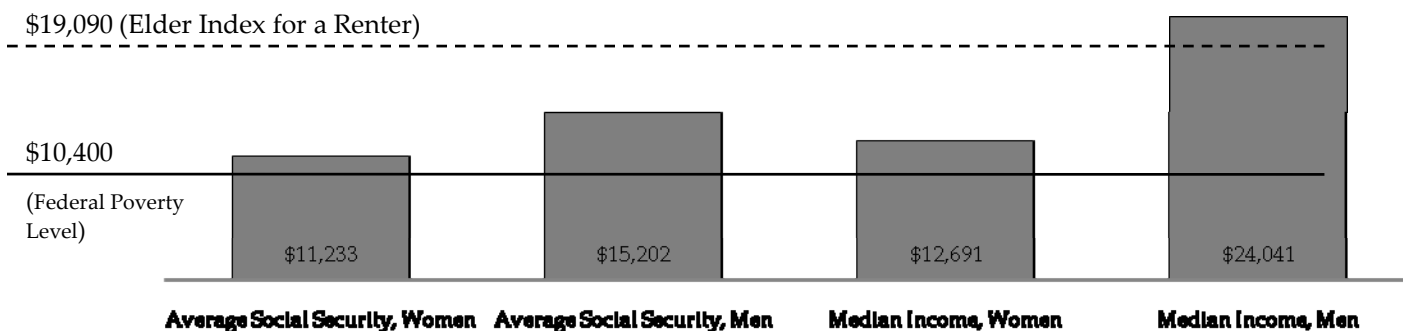
## Poverty (continued)

### Making Ends Meet

The Minnesota Elder Economic Security Standard™ Index (MinEESI) was developed as a measure of cost of basic expenses for elder households who are 65 or older to age in place, continuing to live in the community setting of their choice. MinEESI takes into consideration core components such as housing, health care, food and transportation, and a miscellaneous category utilizing widely accepted cost of data from public sources. The index shows that many Minnesotan elders are not able to make ends meet. Elders are not able to maintain economic security either by social security or median incomes.

This situation is concerning for women. As illustrated below, the average annual social security payment for a woman is \$11,233, just above the federal poverty guideline for a single person of \$10,400. Median income for older women is \$12,691. This is just over half (53%) of the median income for men of \$24,041, and it is significantly lower than the index's basic cost of living for an elder of \$19,090.

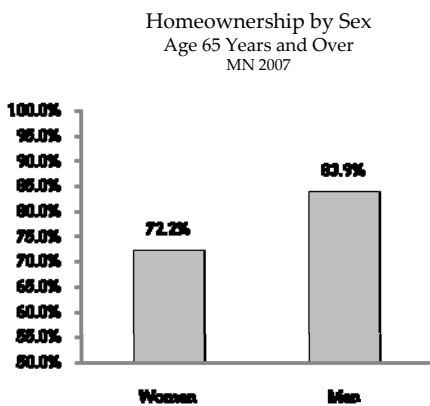
### The Elder Economic Security Standard Index for Single Renters in Good Health and Benchmark Annual Incomes for Single Elders in Minnesota, 2008



Minnesota Elder Economic Security Index

Note: Income in retirement includes all personal income, excluding public supports, of those without earnings.

## Homeownership & Rentals



Source: American Community Survey, 2007

- In 2007, the percentage of homeownership for women age 65 years and over is smaller than the percentage of homeownership for men age 65 years and over.

- Women over 65 are 17% of all one-person rental units in the U.S., men over 65 are 6.8% of the same population.

## Eldercare

### Caregiving

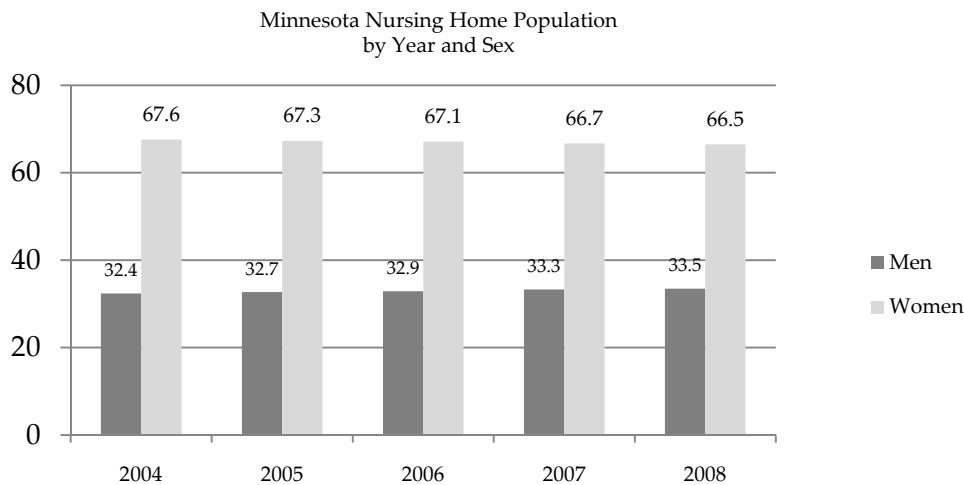
Women are more likely than men to take time out from employment to care for others.

- An estimated 59% to 75% of caregivers are female.
- Female caregivers spend 50% more time providing care than male caregivers.
- Female caregivers are likely to spend 12 years out of the workforce raising children and/or caring for an older relative or friend.

### Nursing Home Population in Minnesota and the United States

In 2008, the Minnesota nursing home population was 31,056 and the U.S. nursing home population was 1,412,540, slightly down from 2007 numbers.

- There were 390 nursing homes in Minnesota and 15,730 nursing homes in the United States.
- Minnesota nursing homes had an occupancy rate of 91.0 percent and the U.S. had an overall occupancy rate of 82.9 percent.
- It is expected that Minnesota will have between 256,000 and 300,000 older persons in need of long-term care and support by the year 2030.
- In 2008, women were the majority of the U.S. and Minnesota nursing home population in all age groups, though this has been slightly decreasing over the last years as men's life expectancy becomes longer.



CDC National Nursing Home Survey, Minnesota Department of Health

### Data Sources

Center for Disease Control, National Nursing Home Survey, <http://www.cdc.gov/nchs/nnhs.htm>  
Employee Benefit Research Institute, <http://www.ebri.org/> "Income of the Elderly Population Age 65 and over"  
Minnesota Department of Health - Health Care Facilities, <http://www.health.state.mn.us/divs/fpc/fpc.html>  
Minnesota Department of Human Services, <http://www.dhs.state.mn.us/> (search "Aging")  
Minnesota Elder Economic Security Index, Minnesota Women's Consortium, Wider Opportunities for Women  
<http://www.wowonline.org/ourprograms/eesi/state-resources/minnesota.asp>  
Minnesota State Demographic Center, <http://www.demography.state.mn.us/>  
Minnesota Department of Employment and Economic Development, Labor Market Information, [http://www.positivelyminnesota.com/Data\\_Publications/Data/index.aspx](http://www.positivelyminnesota.com/Data_Publications/Data/index.aspx)  
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American Community Survey, 2007 & 2008, <http://www.census.gov/acs/www/index.html>  
Current Population Survey 2009, <http://www.census.gov/cps/>  
American Housing Survey 2007, <http://www.census.gov/hhes/www/housing/ahs/ahs.html>  
United States Social Security Administration, <http://www.ssa.gov/policy/>

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