
Retirement-Age Women and Pensions: Findings From the New Beneficiary Survey

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This article examines the extent of employer-sponsored pension receipt and the amounts of pension benefits among a cohort of retirement-age women interviewed in the New Beneficiary Survey. These women reported relatively low levels of pension protection. Only 27 percent were receiving a pension in late 1982, either from their own employment or as survivors. This was one-half the rate of current pension receipt among a comparable cohort of men. An additional 17 percent of the women were expecting pensions of their own or had potential survivor protection through their husbands' pensions. Among those receiving a pension, women reported median monthly benefits of \$250, compared with \$460 among men. Pension benefits were a fairly important source of income for these women, particularly those who were unmarried. Almost one-half of the unmarried recipients depended on their pensions for one-third or more of their total incomes, and without their pension income 11 percent would have been below poverty income levels.

Employer-sponsored pensions have long been regarded as a major component of retirement income in the United States, often described, along with Social Security and asset income, as part of a "three-legged stool" of retirement income support. The majority of older Americans do not receive any pension income, however, and the rate of receipt varies widely across demographic groups.¹

This article is concerned with the receipt of pension income among one of those groups—older women. Specifically, the article describes the extent and levels of pension protection in a cohort of older women who began receiving Social Security benefits in the early 1980's—women who were included in the Social Security Administration's (SSA's) New Beneficiary Survey (NBS). Following a brief description of the sample and measures of pension receipt, the analysis is divided into two major parts: first, determining the

number of women with current, potential, or past receipt of pension benefits; and second, examining the amounts of pension income being received at the time of the survey. Throughout the analysis, comparisons are made to a similar cohort of retirement-age men.

Respondents and Measures

The New Beneficiary Survey was conducted in late 1982, using a nationally representative sample of beneficiaries who first received Social Security payments between mid-1980 and mid-1981. The interviews covered a wide range of topics, including extensive inquiries about employment history and current income. For married respondents, selected information was also elicited from their spouses.²

Sample for this Study

Included in the NBS sample were two subsamples of older women: 3,819 retired-worker beneficiaries and

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¹See Susan Grad, *Income of the Population 55 and Over, 1986*, Office of Research and Statistics, Office of Policy, Social Security Administration, June 1988.

²For details on the design and sample of the NBS, see Linda Drazga Maxfield, "The 1982 New Beneficiary Survey: An Introduction," *Social Security Bulletin*, November 1983, pages 3-11.

2,417 spouse or survivor beneficiaries (wives, divorced wives, widows, and surviving divorced wives). Together, these two groups represent a cohort of 859,171 women who had "entered retirement" (that is, first received Social Security benefits on the basis of old age) during the sampling period. A corresponding subsample of men spouse and survivor beneficiaries was not included in the NBS. However, because these men constitute a minimal percentage of all aged men beneficiaries, reasonably accurate comparisons with the women described above can be made by using a single male subsample—5,284 retired-worker beneficiaries, representing 689,718 retirement-age men.³ At the time of the NBS interview, 87 percent of the women in this study and 91 percent of the men were aged 63-67.⁴

Measures of Pension Receipt

Two measurement issues are noted as background for the analysis. The first involves marital status and the measurement of survivor benefits. Questions in the NBS about survivor pensions were asked only of those respondents who reported that they were widowed, and questions about potential survivor benefits were asked only of currently married respondents. Because of this and the expected relationship between women's marital status and employment-based pension receipt, marital status serves as a basic analytical distinction throughout the study.⁵

The second issue involves the measurement of current pension receipt based on the respondent's own employment. Three alternative measures are used in different parts of the study. One of these measures is derived from the employment section of the NBS questionnaire. After the respondents provided basic information on their employment histories since 1950 (for jobs that lasted at least 1 year), they were asked in greater detail about a maximum of three jobs—their longest job since 1950, their last job before receiving Social Security benefits, and, if applicable, their current job. Pension recipients are identified as those persons who reported that they were currently receiving a

pension from any one of these three jobs.⁶ A second measure is based on the NBS questions about income. Respondents are counted as receiving their own pensions if they reported income (other than survivor benefits) from private-sector pensions, railroad retirement, or any of three types of government employee pensions. The numbers of pension recipients identified by these two measures do not completely correspond;⁷ thus, a third and more inclusive measure counts all persons who were either receiving a pension from any of the three jobs or receiving any pension income. Unless otherwise specified, the third measure will serve as the basic measure of current pension receipt.

Extent of Pension Protection

Women have two primary sources of pension protection: pensions based on their own paid employment and, for those ever married, pensions based on their husbands' employment. This part of the article focuses on the number of women in the NBS with current, potential, or past protection from either of these sources. The analysis is intended to produce a nonduplicative count, examining, first, the extent of current pension receipt; next, the incidence of potential receipt among those persons who were not current recipients; and finally, the past receipt of lump-sum payments among individuals who were neither receiving nor expecting a pension. The result is a cumulative proportion of women with any form of pension protection.

⁶Two additional notes about this measure: First, this study did not examine possible instances of dual or triple pension receipt. Second, the "any job" measure is slightly more comprehensive than the "longest job" measure reported in other NBS analyses (see, for example, Donald C. Snyder, "Pension Status of Recently Retired Workers on Their Longest Job: Findings From the New Beneficiary Survey," *Social Security Bulletin*, August 1986, pages 5-21). Compared with pension receipt from the longest job, the "any job" approach yielded a 1.4-percentage-point increase in pension receipt for women in this study and a 4.0-percentage-point increase for men.

⁷Among those who reported current pension receipt from any of the three jobs, 8 percent of the women and 5 percent of the men did not report any pension income (other than survivor benefits) during the previous 3 months; among those who reported pension income, 13 percent of the women and 8 percent of the men did not report pension receipt from any of the three jobs. For the first group, the most obvious explanation of the inconsistency is that, having answered the job questions, they were reluctant to fully disclose their income sources at a later point in the interview. For the second group, one explanation is that the source of pension income was not tapped in the current-last-longest job format. This would include a type of pension—railroad retirement—that was explicitly excluded in the employment section's pension questions. An additional possibility is that income being received as survivor benefits was not identified as such because the recipient was no longer widowed at the time of the interview. Whatever the source of inconsistencies, examination of these cases revealed no reason to discount the validity of their reported pension receipt in only one part of the interview.

³The numbers reported here for women and men exclude a few respondents who were later found to have received other Social Security benefits before the NBS sampling period.

⁴For purposes of this study, the percentages have been rounded to the nearest whole number.

⁵Approximately one-half of the relatively small number of surviving divorced wife beneficiaries in the NBS reported their marital status as widowed. For purposes of this study, these women are counted as divorced, and any responses they gave to questions for widows (for example, regarding survivor benefits) have been recoded as "not applicable."

Current or Potential Pension Protection

Current pension receipt. Women in the NBS reported low levels of pension receipt, both in absolute terms and relative to men (table 1). Only 27 percent of the women were receiving a pension—24 percent from their own employment and 3 percent with survivor benefits only. Among men, the incidence of pension receipt was 53 percent, twice the rate for women.⁸

The overall totals of pension receipt for men and women mask some important differences between

marital status groups. Among never-married women, 60 percent reported current pension receipt—the highest rate of all marital status groups, and a significantly higher rate than the overall rate for men. Married women had the lowest rate of pension receipt (21 percent), but this was not appreciably different from the rates reported by separated women and, excluding survivor benefits, by widows. The fact that the pension experience of never-married women stands apart from that of the other women might have been expected. The never-married women were all retired-worker beneficiaries (that is, qualified for Social Security benefits based on their own earnings records); the women in the other marital status groups included both retired-worker and spouse or survivor beneficiaries. Among the men (all of whom were retired-worker beneficiaries), variations by marital status were strikingly different. In a reversal of the women's pattern, married men had the highest rate of current pension receipt (55 percent), and never-married men had the lowest rate (36 percent).

⁸Compared with the new beneficiaries (89 percent of whom were aged 63-67 when interviewed), the general population of persons aged 65 or older reported lower rates of pension receipt but the same pattern by gender: 21 percent for women and 42 percent for men. Source: Susan Grad, *Income of the Population 55 and Over, 1982*, Division of Retirement and Survivors Insurance, Office of Research, Statistics, and International Policy, Office of Policy, Social Security Administration, March 1984, table 5.

Table 1.—Pension receipt or expected receipt, by sex and marital status: Percentage distribution of women retired-worker and spouse or survivor beneficiaries and men retired-worker beneficiaries

Pension receipt status	Total	Married	Widowed	Separated	Divorced	Never married
Women						
Total number (in thousands).....	859.2	566.0	187.1	11.6	58.8	35.7
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0
Receiving or expecting a pension.....	30.9	24.1	42.7	28.6	37.7	66.1
Receiving own pension ¹	24.0	21.0	23.5	22.8	33.1	6.0
Private pension ²	14.2	11.7	14.5	12.5	19.9	43.2
Government employee pension ²	10.0	9.1	10.4	9.4	13.1	18.2
Federal.....	2.4	2.0	2.9	2.3	4.1	4.1
State or local.....	7.3	6.8	7.3	7.0	8.8	13.3
Military.....	(3)	(3)	(3)	0	(3)	.8
Railroad retirement ².....	.6	.7	(3)	.9	(3)	0
Receiving survivor benefit only.....	2.9	(4)	13.5	(4)	(4)	(4)
Not receiving, but expecting own pension ⁵	3.9	3.1	5.8	5.8	4.6	6.1
Not receiving or expecting a pension.....	69.1	75.9	57.3	71.4	62.3	33.9
Men						
Total number (in thousands).....	689.7	579.4	34.6	10.6	35.2	29.9
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0
Receiving or expecting a pension.....	56.5	58.5	54.9	42.7	44.9	39.3
Receiving own pension ¹	53.4	55.4	51.7	40.1	40.9	36.0
Private pension ²	36.2	37.9	31.5	21.2	28.0	22.8
Government employee pension ²	20.3	20.6	26.1	21.0	14.1	13.9
Federal.....	6.2	6.5	5.7	6.8	3.9	3.2
State or local.....	9.2	9.3	12.5	10.0	5.1	8.8
Military.....	4.9	4.9	7.8	4.3	5.1	2.0
Railroad retirement ².....	.5	.5	.9	0	.5	0
Receiving survivor benefit only.....	0	(4)	0	(4)	(4)	(4)
Not receiving, but expecting own pension ⁵	3.1	3.1	3.3	2.6	4.0	3.3
Not receiving or expecting a pension.....	43.5	41.5	45.1	57.3	55.1	60.7

¹ Receiving pension income or reporting pension receipt from longest, last, or current job.

² Includes persons receiving pensions from more than one source. Numbers do not sum to subtotals.

³ Value greater than zero but less than 0.5 percent.

⁴ Only widowed persons were asked question that identified pension as survivor benefit.

⁵ From longest, last, or current job.

Source: New Beneficiary Survey, October-December 1982.

Both widows and widowers reported low rates of survivor pensions, though the incidence was considerably higher for women. Sixteen percent of the widows were receiving survivor benefits—14 percent with survivor benefits only and 2 percent with survivor benefits plus their own pensions. In contrast, only 1 percent of the widowers were receiving survivor pensions, and it was always in conjunction with pensions from their own employment.

Pensions expected from employment. A small group of respondents were not receiving a pension at the time of the survey, but reported that they expected to receive a pension from their current, last, or longest job (table 1).⁹ The majority of these persons may be classified as “not fully retired,” since about 70 percent of the expected pensions were from current jobs. The rate of expected pension receipt for women (4 percent) was about the same as the rate for men (3 percent), and differences by marital status were small. Among women, the number who were expecting a pension ranged from 3 percent for married women to 6 percent for those never married; among men, the range was only 3-4 percent.

Adding current and expected pension receipt, marital status differences between women and men can be summarized in terms of a gender gap. The relative position of never-married women was the most favorable in terms of pension receipt, with a rate of pension protection 1.7 times the rate for never-married men. For the other marital status groups, however, the gender gap was disadvantageous to women. The rate of protection

for divorced women was 84 percent of the rate for men; for widows, it was 78 percent; and for separated women, it was 67 percent. Gender differences were most dramatic among married beneficiaries: Married women were receiving or expecting to receive a pension at only 41 percent of the rate for men.

Additional protection for married women. The extent of pension protection among married women is increased considerably when potential survivor benefits are taken into account. Table 2 shows that 20 percent of the married women were not receiving or expecting to receive a pension on their own, but were reportedly covered for survivor benefits based on their husbands' current, last, or longest jobs. Adding this number to the 24 percent who were receiving or expecting a pension from their own employment brings the combined rate of current or potential pension receipt to 44 percent—a rate similar to that reported by widows (table 1).

An additional 15 percent of the married women would presumably have access to their husband's pension as part of the couple's shared resources during the husband's lifetime (12 percent of them without survivor provisions and 3 percent with survivor provisions unknown, as shown in table 2). When the definition of pension protection is expanded to include the women's presumed access to a spouse's pension, the total rate of pension protection among these married women approaches 60 percent. The corresponding rate is 66 percent for married men beneficiaries: 59 percent as workers, an additional 3 percent as potential widowers, and an additional 4 percent as spouses (table 2). Clearly, the new beneficiary women gained more pension protection through their husbands than did new beneficiary men through their wives—a finding that is not unexpected.

⁹ Respondents were counted as expecting a pension if they reported such expectations from any one of the three jobs. No effort was made to determine patterns of duplicate returns—for example, receiving a pension from one job and expecting a pension from another.

Table 2.—Spouse's pension receipt and provision for survivor benefit¹, by pension receipt among married beneficiaries: Percentage distribution of women retired-worker and spouse beneficiaries and men retired-worker beneficiaries

Spouse's pension receipt and provision for survivor benefit ¹	Married women beneficiaries			Married men beneficiaries		
	Total	Receiving or expecting own pension	Not receiving or expecting own pension	Total	Receiving or expecting own pension	Not receiving or expecting own pension
Total number (in thousands).....	566.0	136.4	429.7	579.4	338.7	240.7
Total percent.....	100.0	24.1	75.9	100.0	58.5	41.5
Spouse receiving or expecting own pension.....	49.1	14.4	34.7	21.0	13.9	7.1
Survivor provision ²	28.0	8.0	20.0	7.4	4.7	2.7
No survivor provision.....	17.1	5.4	11.7	10.9	8.0	3.0
Survivor provision unknown.....	4.0	1.0	3.0	2.7	1.2	1.4
Spouse not receiving or expecting own pension.....	50.9	9.7	41.2	79.0	44.6	34.4

¹From longest, last, or current job.

²Includes small number of “other” responses (yes, but with qualifications).

Source: New Beneficiary Survey, October-December 1982.

Extent of current or potential pension protection.
Because married women constitute such a large proportion of all women in this study (66 percent), their potential survivor benefits and current access to their husbands' pensions affects the rate of pension protection for women as a whole. Using the most inclusive definition of pension protection (above) and recalculating the rate for all women, 54 percent had current or potential access to pension resources (table 3). The corresponding total for men was 63 percent.

Compared with the figures given earlier, these totals represent an important narrowing of the gender gap in pension protection. If the count is limited to current receipt only, the rate of pension protection among women was 50 percent of the rate for men; with the addition of expected pensions and potential survivor benefits, the rate was 75 percent of the rate for men; and with the addition of presumed access to spouses' pensions, the rate was 86 percent of men's. The multiple measures of current and potential pension access in the NBS thus present a more benign picture of gender differences than do the often-reported measures based exclusively on current pension receipt.

On the other hand, there are two important qualifications. First, the narrowed gender gap described above is based on an expanded definition that includes contingent and indirect forms of pension protection. Second, even when this more inclusive definition is used, fully 46 percent of the women and 37 percent of the men had no current or potential access to pensions. Thus, gender gaps aside, large numbers of new beneficiary women and men were facing their retirement years without this important source of income.

Table 3.—Summary of current or potential access to pension: Percent of women retired-worker and spouse or survivor beneficiaries and men retired-worker beneficiaries

Source of current or potential pension	Women	Men
Total number (in thousands) ..	859.2	689.7
Percent with current or potential pension access	53.7	62.5
Receiving own pension ¹	24.0	53.4
Receiving survivor benefit only ..	2.9	0
Not receiving, but expecting own pension ²	3.9	3.1
Not receiving or expecting, but spouse receiving or expecting a pension: ²		
If survivor, potential survivor benefit	13.2	2.3
No known survivor provision ..	9.7	3.7

¹Receiving pension income or reporting pension receipt from longest, last, or current job.

²From longest, last, or current job.

Source: New Beneficiary Survey, October-December 1982.

Past Receipt of Lump-Sum Payments

A final issue needs to be addressed in assessing the extent of pension protection among new beneficiary women: the degree to which lump-sum payments could have been used to provide significant retirement income, for example, through the purchase of lifetime annuities.

Six percent of both women and men reported that they were neither receiving nor expecting a pension, but that they had received a lump-sum payment from a pension plan on their last or longest job. About 12 percent of these recipients did not report the amount they received. For the remaining recipients, the timing of the lump-sum payment was estimated (assuming it was received when they left the particular job¹⁰), and the amounts reported were converted to constant 1982 dollars (table 4).

¹⁰This assumption is probably valid for most recipients. It would cover those who claimed their own contributions to a pension plan when they left a job before retirement; those who left a job either before or at retirement and were "cashed out" when the value of their pension accruals was less than \$1,750 (a procedure in accordance with the Employee Retirement Income Security Act, or ERISA); and those who selected a lump-sum option rather than an annuity when they left a job at retirement. Some of the payments were from jobs that ended as early as 1951, but approximately one-half of the lump sums received by women and two-thirds of those received by men were from jobs that ended in 1980 and 1981, the years in which the new beneficiaries were first paid Social Security benefits.

Table 4.—Lump-sum payments¹ for persons not receiving or expecting pension: Percentage distribution of women retired-worker and spouse or survivor beneficiaries and men retired-worker beneficiaries

[In constant 1982 dollars]

Lump-sum payment amount	Women	Men
Number with lump-sum payment (in thousands)	49.2	44.2
Total percent	100.0	100.0
\$1-\$500	9.2	2.9
\$500-\$999	8.2	4.0
\$1,000-\$1,999	15.9	4.3
\$2,000-\$2,999	9.3	10.5
\$3,000-\$3,999	7.5	5.3
\$4,000-\$4,999	4.6	3.4
\$5,000-\$9,999	13.4	13.1
\$10,000-\$19,999	11.4	16.8
\$20,000-\$29,999	4.1	7.1
\$30,000-\$39,999	3.7	4.7
\$40,000-\$49,999 .....	.1	2.5
\$50,000-\$99,999 .....	.4	9.2
\$100,000 or more	0	5.1
Amount not reported	12.3	11.4
Median payment ²	\$3,180	\$10,710

¹From last or longest job.

²For those reporting an amount; rounded to nearest \$10.

Source: New Beneficiary Survey, October-December 1982.

The majority of women who reported these lump-sum payments received relatively small amounts. Fifty percent received less than \$3,180 (the median amount¹¹), and 68 percent received less than \$10,000. In contrast, the amounts reported by men were, on average, considerably larger. The median was \$10,710, and 29 percent of the men received \$20,000 or more. Although 8 percent of the women also received lump-sum payments of at least \$20,000, this group represented less than 0.5 percent of all retirement-age women in the study.

On the basis of this distribution, it seems clear that lump-sum payments constituted very little additional pension protection for the women. And, although the NBS did not question respondents about the use of the lump-sum payments, these payments apparently were not used to purchase annuities. Less than one-tenth of 1 percent of the women who reported receipt of lump-sum payments also reported that they had annuity income. Thus, as a real source of retirement income, the available evidence suggests that these lump-sum payments added virtually nothing to the extent of pension protection for new beneficiary women.

Accounting for Women's Low Rates of Pension Protection

Thus far, this analysis has documented relatively low rates of pension receipt among new beneficiary women, both as workers and as survivors. This section of the article examines some of the factors that may help to account for these levels of pension protection.

Women as workers. Aspects of the employment and pension experience of women who were not receiving or expecting their own pensions are shown in table 5, along with the rate of current or expected pension receipt. Two factors largely account for the low rate of pension receipt: 38 percent of the new beneficiary women had not been covered by a pension plan in their employment as wage and salary workers,¹² and 21 percent of these women reported no paid employment (of at least 1 year's duration) since 1950. Although the lack of pension coverage was an important factor for all marital status groups, the lack of paid employment was

concentrated among married women. Other reasons for nonreceipt of a pension were less important. Four percent of the women reported only self-employment,¹³ and 3 percent had been covered by a pension plan but apparently had not been vested.

When the analysis is restricted to the subset of women who were receiving Social Security benefits based on their own work records, the proportion with limited employment is significantly reduced, as expected (table 5). Five percent of the retired-worker beneficiary women reported no continuous periods of post-1950 employment, the majority of this group consisting of women who were employed only before 1951 (when they would have been in their 20's or early 30's). Compared with all women in the study, other findings regarding retired-worker beneficiary women are modified, but only in degree. The retired-worker women had a higher rate of pension receipt, though they were still a minority (36 percent receiving or expecting their own pensions); differences by marital status were narrowed somewhat, although never-married women retained their considerable advantage; the lack of pension coverage remained the most important factor accounting for low rates of pension receipt (reported by 44 percent of the women); and each of the other factors examined in this analysis remained relatively unimportant.

The focus on retired-worker beneficiary women also allows a more precise comparison with the men in this study (all of whom, again, were retired-worker beneficiaries). Like the retired-worker women, the men's lack of pension coverage on wage and salary jobs was the most important reason for their nonreceipt of pensions (23 percent). However, the women's higher rate of noncoverage appears to account for most of the gender difference in the receipt or expected receipt of their own pensions (a difference of 20 percentage points). While the retired-worker beneficiary women were also slightly disadvantaged in some other areas related to current or expected pension receipt (higher rates of limited employment, nonvesting, and lump-sum receipt), these factors were partly offset by the higher rate of self-employment among men.

Women as survivors. Most pension plans offer several annuity options to retirees. For a married worker, the choice of a joint-and-survivor option rather than a single-life annuity would typically yield lower pension benefits during his/her lifetime but would ensure some level of pension protection for a surviving spouse.

Findings from two recent studies of older and retired married men suggest that economic and mortality risk

¹¹All medians described in this study have been rounded to the nearest \$10.

¹²Previous studies have identified some of the factors associated with variations in pension coverage, documenting lower rates of coverage in certain industries and occupations, among workers in small, nonunionized firms, and among workers with lower earnings and shorter job tenure. See, for example, Donald C. Snyder, August 1986, *op. cit.*; Gayle B. Thompson, "Pension Coverage and Benefits, 1972: Findings From the Retirement History Study," *Social Security Bulletin*, February 1978, pages 3-17; and Emily S. Andrews, *The Changing Profile of Pensions in America*, Washington, DC, Employee Benefits Research Institute, 1985.

¹³"Self-employed" in this article refers to the unincorporated self-employed. Although such persons may be covered by Keogh plans, this form of pension coverage is, by definition, excluded from analyses of employer-sponsored pensions.

Table 5.—Pension and employment status of persons not receiving or expecting own pension, by sex and marital status: Percentage distribution of all women, women retired-worker and spouse or survivor beneficiaries, women and men retired-worker beneficiaries

Pension and employment status	Total	Married	Widowed	Separated	Divorced	Never married
All women						
Total number (in thousands).....	859.2	566.0	187.1	11.6	58.8	35.7
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0
Receiving or expecting own pension.....	28.1	24.1	29.9	28.6	37.7	66.1
Not receiving or expecting own pension.....	71.9	75.9	70.0	71.4	62.3	33.9
Received lump-sum payment ¹	5.7	5.8	5.6	3.8	7.3	5.7
Employment covered, but no pension return ²	2.9	2.6	3.5	5.7	2.9	2.4
Employment not covered by pension plan:						
Wage and salary worker ²	37.9	37.7	39.5	49.6	41.7	23.9
Self-employed only ²	4.0	4.3	3.8	2.2	3.4	.8
No post-1950 employment history/information.....	21.3	25.6	17.5	10.1	7.0	1.2
Women retired-worker beneficiaries						
Total number (in thousands).....	524.4	364.9	70.6	9.7	43.5	35.7
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0
Receiving or expecting own pension.....	36.3	31.5	42.3	34.4	42.9	66.1
Not receiving or expecting own pension.....	63.7	68.5	57.7	65.6	57.1	33.9
Received lump-sum payment ¹	7.7	8.0	6.9	4.5	8.3	5.7
Employment covered, but no pension return ²	3.7	3.7	4.3	6.8	3.1	2.4
Employment not covered by pension plan:						
Wage and salary worker ²	44.2	47.1	40.2	51.3	41.6	23.9
Self-employed only ²	3.6	4.3	2.9	.6	2.6	.8
No post-1950 employment history/information.....	4.6	5.5	3.4	2.4	1.7	1.2
Men retired-worker beneficiaries						
Total number (in thousands).....	689.7	579.4	34.6	10.6	35.2	29.9
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0
Receiving or expecting own pension.....	56.5	58.5	54.9	42.7	44.9	39.3
Not receiving or expecting own pension.....	43.5	41.5	45.1	57.3	55.1	60.7
Received lump-sum payment ¹	6.4	6.6	5.2	2.7	8.4	4.2
Employment covered, but no pension return ²	2.1	2.2	1.6	1.2	2.1	2.6
Employment not covered by pension plan:						
Wage and salary worker ²	23.4	21.1	29.6	50.3	32.7	39.1
Self-employed only ²	11.2	11.4	8.4	2.5	10.8	12.5
No post-1950 employment history/information.....	0)	0)	0)	.7	1.0	2.3

¹ From longest or last job.

² Longest, last, or current job.

³ Value greater than zero but less than 0.5 percent.

Source: New Beneficiary Survey, October-December 1982.

factors may help to account for different choices regarding survivor benefits.¹⁴ Men with low incomes and small pensions were less likely to select a survivor option; survivor provisions were also less likely for wives who, because of age and life expectancy, might anticipate a shorter period of widowhood. In contrast, there was virtually no relationship between the wife's own pension status and the husband's annuity choice—a finding that is repeated in the present study. Among new beneficiary women who were receiving or expecting

their own pensions, 56 percent of pension-eligible husbands reported provisions for survivor benefits; among married women not receiving or expecting a pension, the corresponding rate was 58 percent (calculated from the data in table 2).

Amounts and Importance of Pension Income

A second dimension of pension protection concerns the amounts actually received. The analysis that follows is restricted to the subset of respondents who reported such income—25.4 percent of the women and 51.1 percent of the men. Two questions will be addressed: How much pension income were they receiving and how important was this income to their financial well-being?

¹⁴Karen C. Holden, Richard V. Burkhauser, and Daniel A. Myers, *Pensioners' Annuity Choice: Is the Well-Being of Their Widows Considered?*, Madison, WI, Institute for Research on Poverty, April 1986; and John A. Turner, *The Economic Risk of Long Life: Is Mandatory Survivors Insurance Needed?*, Department of Labor, August 1986.

Amounts of Pension Income

Five sources of pension income are included in this analysis: private-sector pensions, railroad retirement, and three types of government employee pensions (Federal, State or local, and military). Reported pension amounts are individuals' average monthly income from all five sources during the 3 months preceding the NBS interview in late 1982. For widowed persons, pension income is identified as survivor benefits or benefits based on the respondent's own work.

Half the retirement-age women who reported pension income were receiving average monthly benefits of less than \$250 (table 6). Twenty-two percent were receiving less than \$100 per month, and only 17 percent reported monthly pension income of \$600 or more. Just as the current receipt rate for women was one-half the rate for men (noted above), the median monthly pension received by women (\$250) was only slightly more than one-half the median amount received by men (\$460). The distribution of pension amounts for men further reflects their relative advantage. Only 8 percent of men reported monthly pensions of less than \$100; 37 percent received \$600 or more. Because pension amounts are typically based on some combination of the worker's earnings and years of service, the lower benefit amounts of women undoubtedly reflect their earlier disadvantages in earnings and job tenure.

Although never-married women had a higher pension receipt rate than men, they reported considerably lower benefit amounts—a median amount of \$330 per month, compared with \$460 for men. The average pension benefits of the other NBS women were even lower. Married women received the lowest pension income (\$230 median), with widows receiving slightly more (\$240). Widows who were receiving pensions based only on their own work had an even lower level of monthly benefits than married women (\$210 median); the amounts were somewhat higher for widows who were drawing only survivor benefits (\$250). Among the men, those who never married received the lowest pension income (\$290 median); they were the only marital status group with lower benefit amounts than their female counterparts.

Pension Income as a Share of Total Income

To better understand the importance of pensions to these recipients, each individual's pension income can be examined as a share of his/her total income. Total income, like pensions, is expressed here as monthly income, averaged over a 3-month reference period.¹⁵

¹⁵In addition to pension income, the total income measure in the NBS includes Social Security benefits, earnings, income from assets, and income from a variety of other sources. For additional detail, see Linda Drazga Maxfield and Virginia P. Reno, "Distribution of Income Sources of Recent Retirees: Findings From the New Beneficiary Survey," *Social Security Bulletin*, January 1985, pages 7-13.

Because the NBS recorded some sources of income for married couples instead of separately for the spouses, total income for married persons represents the combined income of the husband and wife.

Pensions were a fairly important source of income for both the women and men who were receiving them, except for married women (table 7). Although benefits of married women averaged only 14 percent of the couples' combined incomes, pensions were almost twice as important to unmarried women. The median share was 27 percent, and about one-fifth of the unmarried women depended on their pensions for more than one-half of their total incomes. Pension income was even more important to male recipients, with median shares ranging from 29 percent for married and never-married men to 38 percent for widowers. This distribution might be expected, given the larger pensions for men described earlier; but the fact that their smaller pensions were almost as important to women as the larger pensions were to men also reflects their relative standings in total income. By gender, differences were smaller in median total income than in median pension amounts (tables 6 and 7).

In general, perhaps the most interesting finding is that the pension benefits of unmarried women and men recipients constituted, on average, nearly one-third of their total incomes. Thus, for many recipients, pensions were fulfilling their role in the metaphorical "three-legged stool" of retirement income support.

This finding clearly does not apply to retirement-age persons in general. This analysis has focused on the importance of pension income to those receiving it—a minority of the new beneficiaries. An alternative measure determines the share of aggregate income attributed to pensions for the entire group of retirement-age persons (pension recipients and nonrecipients combined). For example, an earlier NBS analysis reported such shares for one group included in this study—unmarried men.¹⁶ Although in this analysis pension income of individual unmarried men recipients constituted 34 percent, on average, of their total income (table 7), the earlier study found that pensions were only 20 percent of aggregate total income for the entire group of unmarried men. In addition, comparable data from the Current Population Survey (CPS) suggest that pension income is even less important for all aged Social Security beneficiaries than it was for the new beneficiaries. In the CPS, among all unmarried men beneficiaries aged 65 or older in 1982, pensions provided only 12 percent of aggregate total income.¹⁷

¹⁶See table 12 in Linda Drazga Maxfield, "Income of New Retired Workers by Age at First Benefit Receipt: Findings From the New Beneficiary Survey," *Social Security Bulletin*, July 1985, page 16.

¹⁷Maxfield, July 1985, *op. cit.*, table 13.

Table 6.—Average monthly pension income in 3 months preceding month of interview for persons receiving pension income, by sex and marital status: Percentage distribution of women retired-worker and spouse or survivor beneficiaries and men retired-worker beneficiaries

Average monthly pension income	Total ¹	Married	Divorced	Never married	Widowed		
					Total ²	Survivor benefits only	Worker benefits only
Women							
Total number (in thousands).....	859.2	566.0	58.8	35.7	187.1	...	...
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Receiving pension income:							
Percent.....	25.4	19.4	31.2	57.2	35.7	...	...
Number (in thousands).....	217.8	109.6	18.3	20.4	66.8	25.2	35.3
Less than \$100.....	22	24	15	17	21	20	26
\$100-\$199.....	20	20	26	15	20	21	21
\$200-\$299.....	16	16	13	15	16	20	15
\$300-\$399.....	10	9	17	9	9	10	8
\$400-\$599.....	16	15	14	19	16	14	15
\$600-\$799.....	8	7	7	13	8	8	7
\$800-\$999.....	4	4	4	4	5	3	4
\$1,000-\$1,499.....	3	3	3	7	2	2	2
\$1,500-\$1,999.....	1	1	(4)	1	2	1	1
\$2,000 or more.....	1	(4)	1	(4)	1	1	(4)
Median ³	\$250	\$230	\$280	\$330	\$240	\$250	\$210
Men							
Total number (in thousands).....	689.7	579.4	35.2	29.9	34.6	...	...
Total percent.....	100.0	100.0	100.0	100.0	100.0	(5)	100.0
Receiving pension income:							
Percent.....	51.1	53.1	38.4	33.5	51.1	...	...
Number (in thousands).....	352.7	307.4	13.5	10.0	17.7	(5)	16.1
Less than \$100.....	8	7	6	11	11	...	9
\$100-\$199.....	13	12	17	29	13	...	15
\$200-\$299.....	11	11	16	15	8	...	9
\$300-\$399.....	10	10	10	9	8	...	9
\$400-\$599.....	22	23	21	16	22	...	21
\$600-\$799.....	13	13	10	7	12	...	12
\$800-\$999.....	7	7	6	5	9	...	9
\$1,000-\$1,499.....	10	10	11	6	7	...	8
\$1,500-\$1,999.....	3	3	4	3	3	...	3
\$2,000 or more.....	4	4	1	(4)	6	...	5
Median ³	\$460	\$470	\$440	\$290	\$500	(5)	\$450

¹Includes those who reported marital status as "separated." For both women and men in this marital status category, the numbers reporting pension income were too small for reliable analysis.

²Includes those receiving both survivor and retired-worker benefits and those for whom type of benefit was undetermined.

³Medians rounded to nearest \$10.

⁴Value less than 0.5 percent.

⁵No widowers reported survivor benefits only.

Source: New Beneficiary Survey, October-December 1982.

Importance of Pensions to Low-Income Recipients

An examination of pension benefits relative to some more objective standard of economic well-being provides additional insights into their importance. In this section, the number of pension recipients whose incomes were

below the poverty thresholds for 1982 are compared with the number who would have been below the thresholds if no pension income was received. The analysis demonstrates the impact of pensions at the lower end of the income distribution.

The poverty thresholds are being used in this article as readily understood standards, and the numbers reported

Table 7.—Monthly pension income as a share of total monthly income¹, by sex and marital status: Percentage distribution of women retired-worker and spouse or survivor beneficiaries and men retired-worker beneficiaries

Pension income as percent of total income	Married ²	Unmarried					
		Total ³	Divorced	Never married	Widowed		
					Total ⁴	Survivor benefits only	Worker benefits only
Women							
Total number with pension income (in thousands).....	109.6	108.2	18.3	20.4	66.8	25.2	35.3
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Less than 10 percent.....	39	13	9	10	15	15	17
10-19.....	24	19	18	18	20	23	20
20-29.....	16	22	26	25	21	19	22
30-39.....	10	13	9	14	14	15	13
40-49.....	6	13	17	12	11	11	12
50-59.....	2	9	7	13	8	5	8
60-69.....	2	6	7	6	6	6	5
70-79.....	1	4	5	2	4	6	2
80-89.....	1	1	1	1	1	1	1
90-100.....	(5)	1	2	(5)	1	(5)	(4)
Median percent.....	14	27	27	29	27	25	24
Median total monthly income ⁶	\$1,740	\$950	\$830	\$1,080	\$940	\$980	\$882
Men							
Total number with pension income (in thousands).....	307.4	45.3	13.5	10	17.7	(7)	16.1
Total percent.....	100.0	100.0	100.0	100.0	100.0	(7)	100.0
Less than 10 percent.....	13	7	6	9	6	...	5
10-19.....	19	19	18	25	17	...	17
20-29.....	21	19	19	17	18	...	18
30-39.....	17	16	15	22	13	...	13
40-49.....	14	14	11	11	18	...	16
50-59.....	7	11	15	6	13	...	14
60-69.....	5	6	8	6	5	...	5
70-79.....	3	4	6	2	3	...	4
80-89.....	2	3	3	2	3	...	4
90-100.....	1	2	1	(5)	4	...	4
Median percent.....	29	34	35	29	38	(7)	38
Median total monthly income ⁶	\$1,670	\$1,130	\$1,110	\$1,010	\$1,230	(7)	\$1,210

¹ Average monthly income in 3 months preceding month of interview, 1982.

² For married respondents, total income includes income of respondent and spouse.

³ Includes those who reported marital status as "separated."

⁴ Includes those receiving both survivor and worker benefits and those

for whom type of benefit was undetermined.

⁵ Value less than 0.5 percent.

⁶ Medians rounded to nearest \$10.

⁷ No widowers reported survivor benefits only.

Source: New Beneficiary Survey, October-December 1982.

are not exact indicators of official poverty rates. These figures may, however, serve as close approximations. Conventional measures of poverty are based on annual total family income and the number of persons in the family. Because the NBS provides only limited information on total family income, this analysis assumes 1-person families for unmarried recipients and 2-person families for married recipients. In addition, conventional measures use slightly different poverty thresholds for persons under age 65 and for those aged 65 or older. Since 59 percent of the respondents in this study were within a few years of their 65th birthday and

the remaining respondents were aged 65 or older, the second poverty threshold was deemed the more appropriate standard—\$386 per month for 1 person and \$482 for 2-person families in 1982.

Based on their actual incomes, very few of the pension recipients were in poverty (as defined above)—about 1 percent of the married women, 3 percent of the unmarried women, and less than 1 percent of the men (table 8). Without their pensions, however, many more would have incomes below the poverty levels. For married women, the poverty rate increases to 4 percent, and for unmarried women, the rate increases fivefold, to

Table 8.—Total 1982 monthly income¹ and percent below poverty standard², by pension income status, sex, and marital status: Percent of women retired-worker and spouse or survivor beneficiaries and men retired-worker beneficiaries

Pension income status	Unmarried						
	Married ³	Total ⁴	Divorced	Never married	Widowed		
					Total ⁵	Survivor benefits only	Worker benefits only
Women							
Receiving pension income							
Total number (in thousands).....	109.6	108.2	18.3	20.4	66.8	25.2	35.3
Median total monthly income: ⁶							
Counting pension income.....	\$1,740	\$950	\$830	\$1,080	\$940	\$980	\$882
Not counting pension income.....	1,420	610	550	700	610	640	600
Percent below poverty standard:							
Counting pension income.....	.9	2.7	2.9	1.4	2.7	2.3	3.4
Not counting pension income.....	3.7	14.0	21.4	11.6	12.0	14.2	9.8
Not receiving pension income							
Total number (in thousands).....	456.4	185.0	40.5	15.3	120.3	...	...
Median total monthly income ⁶	1,320	580	490	540	620	...	...
Percent below poverty standard.....	5.1	25.3	33.7	31.8	19.7	...	...
Men							
Receiving pension income							
Total number (in thousands).....	307.4	45.3	13.5	10.0	17.7	∅	16.1
Median total monthly income: ⁶							
Counting pension income.....	\$1,670	\$1,130	\$1,110	\$1,010	\$1,230	∅	\$1,210
Not counting pension income.....	1,110	680	650	680	750	∅	710
Percent below poverty standard:							
Counting pension income.....	.4	.3	.9	0	0	∅	0
Not counting pension income.....	6.5	13.5	19.2	8.8	12.0	∅	12.4
Not receiving pension income							
Total number (in thousands).....	272.0	65.0	21.7	19.9	16.9	...	...
Median total monthly income ⁶	1,230	\$500	\$470	\$510	\$620	...	...
Percent below poverty standard.....	8.7	30.8	31.4	33.9	23.7	...	...

¹Total income and pension income are monthly averages for 3 months preceding month of interview, 1982.
²Refers to 1982 poverty thresholds (divided by 12) for 1- and 2-person family units aged 65 or older: \$386 and \$482 per month, respectively.
³For married respondents, total income includes income of respondent and spouse.

⁴Includes those who reported marital status as "separated."
⁵Includes those receiving both survivor and worker benefits and those for whom type of benefit was undetermined.
⁶Median rounded to nearest \$10.
⁷No widowers reported survivor benefits only.
 Source: New Beneficiary Survey, October-December 1982.

14 percent. The impact is particularly notable for never-married women (increasing poverty from 1 percent to 12 percent) and for divorced women (from 3 percent to 21 percent). The percentage increase is even more pronounced for men. Without their pensions, 7 percent of the married men would have incomes below the poverty standard, as would 14 percent of the unmarried men.

The importance of pension income to retirement-age women is further illustrated by comparing pension recipients to nonrecipients. Among married women, the proportion of nonrecipients in poverty was relatively small (5 percent), although it was considerably higher than the rate for pension recipients (table 8). Among unmarried women, the differences were even more pronounced. One-fourth of the unmarried nonrecipient

women reported total incomes below the poverty level, more than nine times the corresponding rate for pension recipients. Within the nonrecipient group, the poverty rate reached 32 percent for never-married women and 34 percent for women who were divorced.

Pensions, of course, do not account fully for differences in economic well-being. Even without their pension income, women recipients were better off financially than nonrecipients. Nonetheless, the data suggest that expanding the rate of pension receipt among older women would substantially reduce their risk of poverty.

Summary

Retirement-age women interviewed in SSA's New Beneficiary Survey reported only limited protection from

employer-sponsored pensions, both in absolute terms and compared with men. For the minority of women who received them, however, pensions were a fairly important source of income.

In the extent of current and potential pension receipt, important differences were noted between women and men:

- Twenty-seven percent of the women were receiving a pension at the time of the survey, one-half the rate among a comparable group of men.
- After adding the number of women who were expecting to receive their own pensions and the number who were covered for potential survivor benefits, the total rate of current or potential receipt was 44 percent for women, three-fourths the comparable rate for men.

The current and potential receipt rates for women also varied by marital status:

- Married women had the lowest incidence of current or expected pension receipt (24 percent), but an additional 20 percent had pension protection through their husbands' provisions for survivor benefits.
- Sixteen percent of the widows were receiving survivor pensions. An additional 27 percent were receiving or expecting benefits from their own work, yielding a combined rate of pension protection very similar to that of married women.
- Divorced and separated women had the lowest rates of pension protection (38 percent and 29 percent, respectively), and the highest rate (66 percent) was reported by never-married women (all of whom were retired-worker beneficiaries).

In addition to those women who were receiving or expecting a pension, 6 percent of the women had previously received a lump-sum payment from a pension plan. However, the majority of these payments were very small (in 1982 dollars, 50 percent were below \$3,180), and there was no evidence that the lump-sum payments had been used to increase retirement income.

The most important reasons for women's nonreceipt of their own pensions were a lack of pension coverage and a lack of past employment. Thirty-eight percent of the women had not been covered by a pension plan in their employment as wage and salary workers, and 21 percent reported no substantial paid employment since 1950.

Considerable differences by gender and marital status were also found in the amount of pension benefits:

- Just as the receipt rate among women was one-half of the rate for men, the median monthly pension received by women (\$250) was only slightly more than one-half the median amount received by men (\$460).
- Never-married women again stood apart from other women, reporting median monthly benefits of \$330. Although never-married women also had the highest rate of pension income receipt among all marital status groups, male and female, their actual benefits were considerably lower than the overall average benefits for men (\$460).

The importance of pension benefits to these recipients was assessed in two ways: as shares of each individual's or married couple's total income, and as pensions affected their poverty status. Although pensions were found to be fairly important for most recipients, differences in their importance were found between married and unmarried persons:

- The pensions of married women were not very important as a share of couples' combined incomes, averaging only 14 percent. For the other women, however, median shares ranged from 27 percent for widows and divorced women to 29 percent for the never married. Similarly, pensions provided about 30 percent, on average, of the total incomes of men recipients.
- Very few of the pension recipients had total incomes below 1982 poverty thresholds (about 1-3 percent of unmarried recipients and about 1 percent of married couples). Without their pensions, however, many of the recipients would have been below the poverty standard (14 percent of the unmarried women and men, 4-7 percent of married couples).