



# Fact Sheet

## SOCIAL SECURITY

### Social Security Is Important to Women

**Social Security is gender neutral – individuals with identical earnings histories are treated the same in terms of benefits. However, due to certain demographic trends, women benefit from the Social Security program in several ways.**

- With longer life expectancies than men, elderly women tend to live more years in retirement and have a greater chance of exhausting other sources of income. They benefit from Social Security's cost-of-living protections because benefits are annually adjusted for inflation.
  - Women reaching age 65 in 2005 are expected to live, on average, an additional 20 years compared with 17 years for men.
  - Women represent 58 percent of all Social Security beneficiaries age 62 and older and approximately 70 percent of beneficiaries age 85 and older.
- The Social Security system is progressive in that lower-wage earners receive a higher percentage benefit than higher-wage earners do. The system returns a greater percentage of pre-retirement earnings to a lower-wage worker than to a higher-wage worker. Women who are low-wage workers receive back more benefits in relation to past earnings than do high-wage earners.
  - In 2004, the median earnings of working-age women who worked full-time, year-round were \$30,000, compared to \$40,000 for men.
- In 2004, the average annual Social Security income received by women 65 years and older was \$9,408, compared to \$12,381 for men.
- Social Security provides dependent benefits to spouses, divorced spouses, elderly widows, and widows with young children.
  - For unmarried women – including widows – age 65 and older, Social Security comprises 53 percent of their total income. In contrast, Social Security benefits comprise only 38 percent of unmarried elderly men's income and only 33 percent of elderly couples' income.
- In 2004, 46 percent of all elderly unmarried females receiving Social Security benefits relied on Social Security for 90 percent or more of their income.
- Elderly women are less likely than elderly men to have significant income from pensions other than Social Security. In 2002, only 21 percent of unmarried women aged 65 or older were receiving their own private pensions (either as a retired worker or survivor), compared to 28 percent of unmarried men.

- Participation in employer-sponsored retirement plans is increasing for women in today's workforce. In 2004, 54 percent of women employed full-time participated in an employer-sponsored plan compared to 53 percent of men. Women generally receive lower pension benefits due to their relatively lower earnings.

Our website at [www.socialsecurity.gov/women](http://www.socialsecurity.gov/women) contains more information of interest to women.

*This fact sheet is designed to provide general information and does not apply to all individuals within the female population.*