

Women, Marriage, and Social Security Benefits: Revisited

Chris Tamborini and Kevin Whitman
September 20, 2006

Extended abstract submission to the Population Association of America (PAA) 2007 Annual Meeting in New York, NY, March 29-31; Potential Session: Marriage and Public Policy organized by Daniel T. Lichter, Cornell University

Abstract

Since their introduction into the Social Security program in 1939, spouse and survivor benefits have proven a particularly important component of retirement income among older women. Spouse and survivor benefit amounts are based on the earnings record of a current or former spouse, and eligibility is determined by one's current marital status and marital history. Consequently, it is important to understand changes in marital trends among women from a retirement perspective.

This study investigates changes in marital patterns among women in relation to their potential eligibility for Social Security spouse or survivor benefits.¹ The first section of the study compares findings from Iams and Ycas' (1988) "Women, Marriage, and Social Security Benefits," which used the 1985 Marital History Supplement to the Current Population Survey, with analysis of the Marital History Module to the 2001 Survey of Income and Program Participation (SIPP).

¹ Married individuals can qualify for a *spousal benefit* at retirement. A spousal benefit can equal 50 percent of their partner's primary insurance amount (PIA), based on his/her earnings history. Persons divorced from a retired worker or disabled worker may also qualify for a spousal benefit (provided that they were married for at least 10 years). *Survivor benefits*, which can equal 100 percent of the worker's PIA, are based on marital history (in addition to a worker's earnings history). Reduced survivor benefits are payable to widows as early as age 60 provided that their deceased spouse worked in employment covered by Social Security and they have not remarried before the age of 60 (SSA 2006).

Women are compared across three age cohorts to facilitate comparability with Iams and Ycas' work: Older Age (ages 60 to 69 in the year of analysis), Late Middle Age (ages 50 to 59 in the year of analysis), and Middle Age (ages 40 to 49 in the year of analysis).

Two results are highlighted in this section. Similar to 1985, we observe that the vast majority of women aged 40 to 69 in 2001 remained potentially eligible for Social Security spouse and survivor benefits based on their current marital status/marital history. At the same time, the analysis indicates a noticeable decline in women's potential eligibility between 1985 and 2001 among younger age cohorts (40 to 49). Compared with their counterparts in 1985, women aged 40 to 69 in 2001 were more likely, on average, to never marry, ever divorce, and divorce with less than 10 years of marriage. The latter is important given that ten years is the marriage duration requirement for Social Security's divorced spouse and surviving divorced spouse benefits.

The second section of the paper examines eligibility for auxiliary benefits among future women retirees using the Social Security Administration's Modeling Income in the Near Term (MINT) micro-simulation model. Developed by SSA's Office of Research, Evaluation, and Statistics with assistance from the Brookings Institution, the RAND Corporation, and the Urban Institute, MINT is a powerful tool for analyzing the expected economic and demographic characteristics of future retirement populations.²

² Marriage, divorce, and widowhood in MINT are based on survey responses in the 1990-1993 and 1996 SIPP panels and statistical models developed to predict such events. Gender-specific continuous time hazard models predict marriage formation, divorce, and remarriage (Panis and Lillard 1999).

Employing the MINT model, we project marital status and the type of Social Security women beneficiaries (i.e. retired-worker only, spouse only, dually-entitled) among future retiree populations of the years 2020, 2030, 2040, 2050. MINT projections suggest that the majority of future women retirees will remain potentially eligible for auxiliary benefits on the basis of their marital history. With that said, the proportion of women potentially eligible for auxiliary benefits is expected to decrease among future retiree cohorts from their current percentage. This decline is explained by changing marital histories, along with increases in women's earnings in relation to men's (which makes dual-entitlement less likely).

Altogether, the study calls attention to the way Social Security program eligibility rules interact with changing family structures, particularly the interplay between marital trends and the share of older women potentially eligible for Social Security spouse and widow benefits as a result of their marital histories.

Selected Work Cited:

Harrington Meyer, Madonna, Douglas A. Wolf, and Christine L. Himes. 2006. "Declining Eligibility for Social Security Spouse and Widow Benefits in the United States?" *Research on Aging* 28(2):240-260.

Iams, Howard M. and Ycas, Martynas A. 1988. "Women, marriage, and Social Security benefits." *Social Security Bulletin* 51(5):3-9.

Kreider, Rose M. 2005. "Number, Timing, and Duration of Marriages and Divorces: 2001." Current Population Reports, U.S. Census Bureau Census, Washington D.C. (issued February 2005).

Social Security Administration. 2006. *Annual Statistical Supplement 2005*. SSA Publication No. 13-11700, Washington, D.C: U.S. Government Printing Office.