

# Social Security Fails to Prevent Women in Bergen and Passaic Counties from Falling below the Economic Security Line

Part of a WOW series assessing the economic security of NJ elders



**THE INCOME ANNETTE** earned over a lifetime was not sufficient to ensure a secure retirement after age 65. Even though she now works part-time to supplement her modest Social Security income, she and many older New Jersey women just like her struggle to get by, relying on children, grandchildren and public assistance to help make ends meet.

More than 250,000 New Jersey elders struggle with a lack of economic security.<sup>i</sup> As shown in Figures 1 and 2, 60% of single elders and 28% of elder couples in Bergen County lack an economic security income and fall below the “economic security line.” More than 61% of single elders and almost 34% of elder couples live below the economic security line in Passaic County. They are at risk of lacking basic needs such as housing, food or health care. They are also at risk of falling

into poverty and/or entering a public institution if they have a financial or health crisis. Elder women in both counties do even worse than elder men. Among single elders, nearly 64% of women in Bergen County and over 66% of women in Passaic County lack security, compared to just under 46% of men in Bergen County and nearly 49% of men in Passaic County.<sup>ii</sup>

The large proportion of women who lack security incomes is largely attributable to gender differences in Social Security payments. A senior’s Social Security payments are calculated using his or her 35 highest annual incomes. Women retiring now began working in the 1960s, when women’s opportunities were limited and they earned, on average, less than half the wages of men. Years of pay inequity add up to a significant difference in savings and Social Security payments.



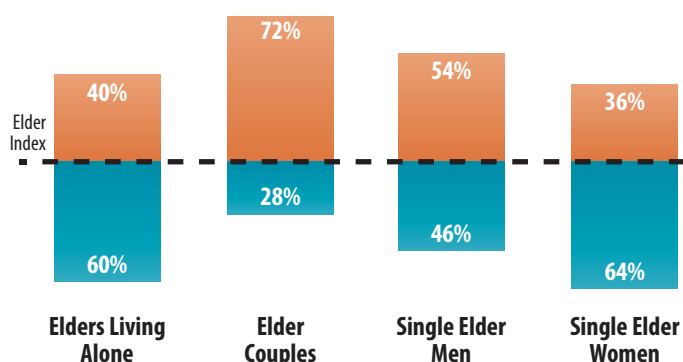
I lost my husband at a very young age and had children. I had to be home during the day and work at night. I took a job as a waitress. You get out what you put into Social Security.

- Annette J.,  
Bergen County

<sup>i</sup> New Jersey Foundation on Aging. New Jersey Elder Economic Security Index: Addressing Basic Needs. 2012. <http://www.wowonline.org/wp-content/uploads/2013/05/NJ-Elder-Economic-Index-2012.pdf>

<sup>ii</sup> Ibid. The number of seniors who lack economic security incomes is calculated by comparing individual New Jersey seniors’ actual incomes, reported by the US Census Bureau, to the New Jersey Elder Economic Security Index, by county.

**Figure 1:** Percentage of Elders Living Above and Below the Economic Security Line in Bergen County, NJ, 2012



**Figure 2:** Percentage of Elders Living Above and Below the Economic Security Line in Passaic County, NJ, 2012

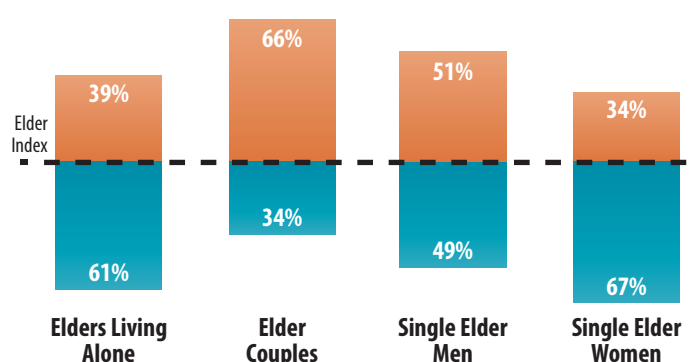


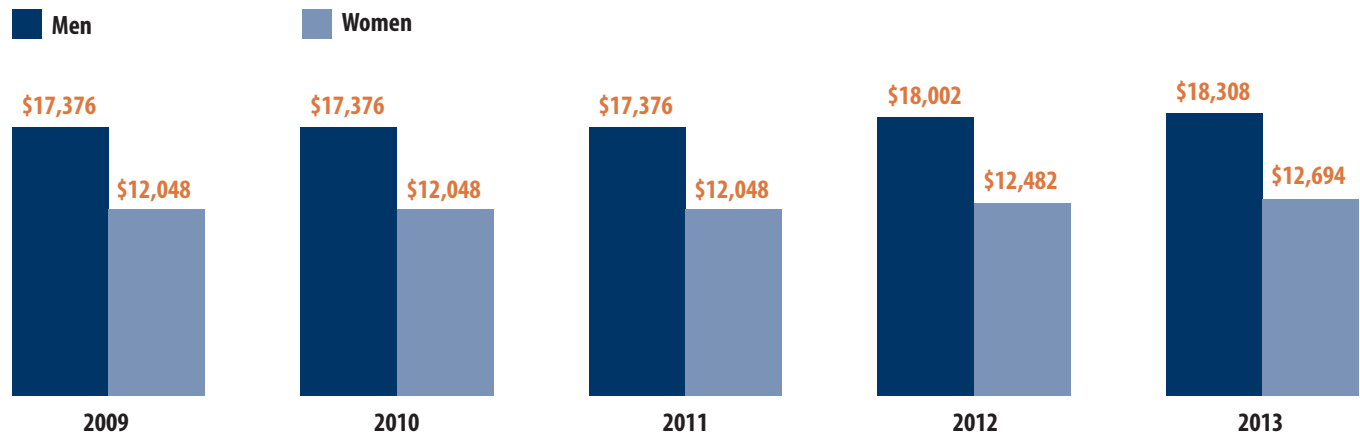
Figure 3 shows the Social Security benefits earned by two workers, a man and a woman, who earned the median pay for their gender for all of their working lives. When the senior

woman retires, she collects just over \$12,000 annually, a mere 40% of the Elder Index (see below) for single renters in New Jersey. Her Social Security benefits are \$5,300 lower

than the senior man's benefits of \$17,300. As they age, the gap increases slightly with every Social Security Cost of Living Adjustment.

**Figure 3: Gender Gap in Social Security Benefits, 2009-2013**

\$28,860, New Jersey Annual Elder Index



The number of New Jersey seniors who lack security is calculated using WOW's Elder Economic Security Index (Elder Index), which demonstrates the incomes elders need to meet basic needs and remain at home

during retirement. The Elder Index includes the basic costs required for health and safety: housing, food, transportation, health care and miscellaneous household costs such as a telephone and clothing.

**Table 1: Annual Elder Index, Bergen and Passaic Counties, by Housing Status, 2013**

County	Elder Person			Elder Couple		
	Owner w/o Mortgage	Renter, One Bedroom	Owner w/ Mortgage	Owner w/o Mortgage	Renter, One Bedroom	Owner w/ Mortgage
<b>Bergen County</b>	\$28,584	\$31,872	\$44,472	\$39,888	\$43,176	\$55,776
<b>Passaic County</b>	\$27,852	\$31,752	\$40,992	\$39,156	\$43,056	\$52,296

Note: Elder Indexes are for those in good health.

Source: [The Economic Security Database. Wider Opportunities for Women](#) and the [Gerontology Institute](#), University of Massachusetts Boston.