

POLICYNOTE

THE RACIAL LONGEVITY GAP PAST AGE 65: IMPLICATIONS FOR RAISING THE RETIREMENT AGE

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INTRODUCTION

In 1950, the United States could claim racial equity in one important respect – both black and white American men who reached age 65 could expect to live twelve more years to age 77. Unfortunately, by 2010, racial gaps appeared. White men at age 65 were projected to live almost 2 years longer than black men, while white women could expect to live one year longer than black women. In 60 years, racial equity turned into a racial gap in age-65 life expectancy.

This is significant when considering public policy proposals that seek to cut Social Security benefits by raising the retirement age, the age at which workers can collect their full Social Security benefits. A racial gap in life expectancy past the age of 65 means this cut in benefits will disproportionately impact Blacks.

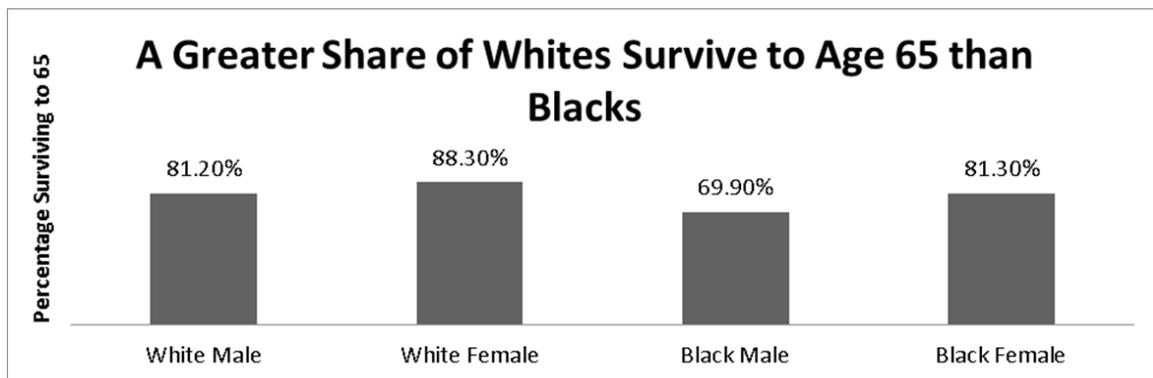
THE KNOWN RACIAL GAP: DIFFERENCES IN LIFE EXPECTANCY AT BIRTH FOR BLACK AND WHITE AMERICANS

The persistent gap between black and white full life expectancy¹ at birth is well documented. Sloan et al (2010), using the Health and Retirement Study and pension records from the Union Army, find that the racial life expectancy gap at birth did not change significantly throughout the 20th century. White men lived 17 percent longer than black men at the end of the 20th century, compared to 18 percent longer in the 1900s, even when controlling for Blacks’ statistically lower educational attainment, higher unemployment, and lower incomes.

Whites are more likely to live to age 65 than Blacks. Over 81 percent of white men and over 88 percent of white women born in 1946 survived to age 65, while only about 70 percent of black men and 81.3 percent of black women lived to 65 (see Graph 1).

Should Americans survive to age 65, their average life expectancy beyond that age has increased. In 1950, the average male could expect to live 12.8 more years after age 65, for a life expectancy of 77.8 years. By 2010 the average male could expect to live an additional 17.7 years after turning 65, with average life expectancy reaching 82.7 years. This represents an overall improvement of 4.9 years. The progression is similar for women, who at the age of 65 could expect to live on average an additional 15 years in 1950, and

Graph 1: Life Expectancy at Birth



Source: CDC/NCHS, National Vital Statistics System. Table B. Number of survivors out of 100,000 born alive, by age, sex, race, and Hispanic origin: United States, 2009.

20.3 years by 2010, for an overall improvement of 5.3 years. Average life expectancy for women who survived to age 65 was 80 years in 1950, and 85.3 years in 2010.

THE NEW RACIAL GAP: LIFE EXPECTANCY AT AGE 65 FOR BLACK AND WHITE AMERICANS

Blacks have not fully shared in the gains in post-65 life expectancy. In 1950, male life expectancy past the age of 65 was almost equal for Blacks and Whites, with white men living 12.8 more years as compared to black men's 12.9 years.² In 1980, a gap of 1.2 years opened up, with white men living 14.2 additional years as compared to black men's 13 years. By 2010, the gap had grown to 17.8 years of life expectancy for white men and 15.9 years for black men. White men in 2010 could expect to live 12 percent longer at age 65 than black men.

For women, the racial life expectancy gap post-65 rises sharply from 1950 to 1980 and then drops nearly as sharply between 1980 and 2010. In 1950, white women could expect to live 15.1 additional years after turning 65, while black women could expect to live 14.9 additional years. By 1980, white women lived 2.6 years longer than black women, living 18.4 years after 65 compared to 16.8 years after 65 for black women. By 2010, the gap closed considerably. On average, white women lived only one additional year than black women, living 20.3 years compared to black women's 19.3 years. In 1950, white women lived just 1 percent longer than black women, by 1980 16 percent longer, and by 2010 just 5 percent longer. The narrowing of the life expectancy gap between black and white women between 1980 and 2010 is a promising trend and warrants further research.

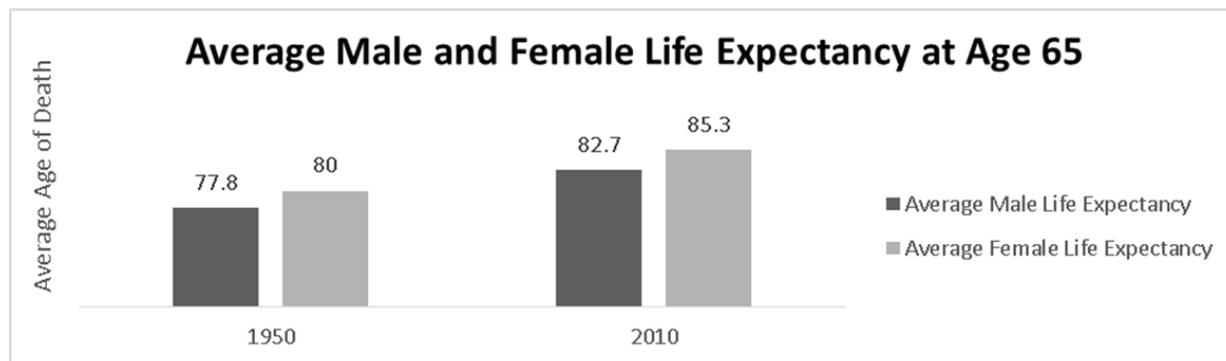
RESEARCH ON THE RACIAL LIFE EXPECTANCY GAP

Economist Michael Geruso (2012) statistically separates the effects of low income on life expectancy from the effects of race. This makes it possible to determine whether men of different races but equally low incomes would have the same life expectancy. They would not. Geruso shows that lower incomes are the primary source of differences in life expectancy, explaining 52 percent of the gap among men and 59 percent among women. An additional 48 percent for men and 59 percent for women are thus unrelated to income level. Up to 24 percent of the overall life expectancy gap between black and white Americans can be explained by race alone.

Kreiger et al (2012) argue against the assumption that increasing racial and socioeconomic inequality in US mortality is inevitable due to smoking and the development of expensive healthcare procedures. If the gap in mortality between Blacks and Whites results from behavioral choices and access to healthcare for illnesses that are exceedingly expensive to treat, then it makes more sense to focus on the absolute decreases in mortality rates experienced across all groups.

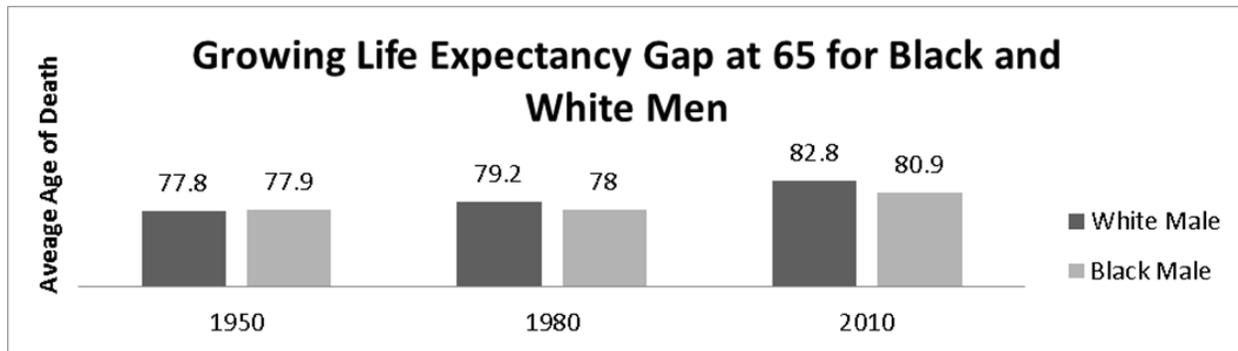
To refute the inevitability assumption, Krieger et al consider deaths unrelated to smoking and preventable by 1960s standards of medical care. Whites in the highest income quintile were used as a reference group to determine whether racial differences in mortality would persist, even when those causes of death related to smoking or considered untreatable using relatively inexpensive 1960s healthcare standards (breast cancer, for example) were removed from consideration. Between 1960 and 2000, US populations of color were consistently more adversely affected by causes of death both unrelated to smoking and preventable by 1960s standards of

Graph 2: Average Male and Female Life Expectancy at Age 65, 1950 – 2010



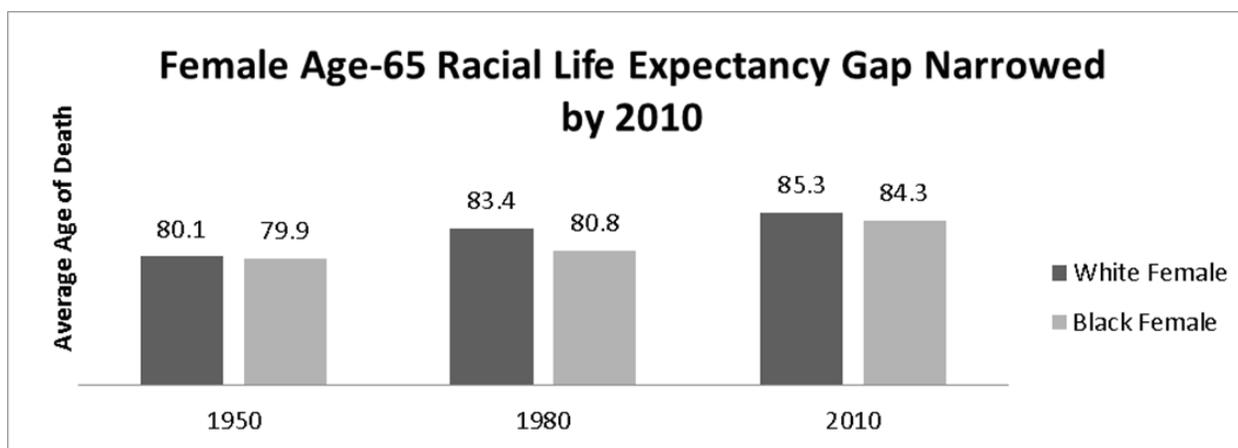
Source: National Center for Health Statistics. 2014. Health, United States, 2013: With Special Feature on Prescription Drugs. Table 18. Life Expectancy at Birth, Age 65, and at Age 75, by Race, Sex, and Hispanic Origin: United States, Selected Years 1900-2010. Hyattsville, MD.

Graph 3: Racial Life Expectancy Gap at 65 Widens for Men



Source: National Center for Health Statistics. 2014. Health, United States, 2013: With Special Feature on Prescription Drugs. Table 18. Life Expectancy at Birth, Age 65, and at Age 75, by Race, Sex, and Hispanic Origin: United States, Selected Years 1900-2010. Hyattsville, MD.

Graph 4: Racial Life Expectancy Gap at 65 for Women



Source: National Center for Health Statistics. 2014. Health, United States, 2013: With Special Feature on Prescription Drugs. Table 18. Life Expectancy at Birth, Age 65, and at Age 75, by Race, Sex, and Hispanic Origin: United States, Selected Years 1900-2010. Hyattsville, MD.

medical care.

Sociologists Robert Hummer and Juanita Chinn (2011) find unmistakable differences in age 65 risk of death, or mortality, between Blacks and Whites using National Health Interview Survey data from 1997-2006. While mortality is a distinct metric from life expectancy, discussed in this paper, the two are related. Older black women have a 14 percent higher risk of death than white women, and black men have a 22 percent higher risk than white men. The gap in mortality is much larger when controlling for age and sex differences, with Blacks experiencing a 36 percent higher adult mortality risk than Whites overall.

POLICY RECOMMENDATIONS

Retirement - the period at the end of one's life normally recognized as free from the toil of work - has become an essential part of the American social contract. Raising the eligibility age to receive Social Security benefits would diminish this period for all Americans. However, the research presented here documents that raising the retirement age would disproportionately reduce retirement years for black Americans. Given that gaps in life expectancy at age 65 exist between black and white Americans, the fact that the "average" American is living longer cannot be used to justify proposals to raise the retirement age.

Legislators considering changes to retirement policy should first address the racial gap in longevity. While the longevity gap stems from more than income alone, the research presented here suggests that efforts to close income gaps between elderly Blacks and Whites could be a step in the right direction. Guaranteed Retirement Accounts (GRAs) - a tier of pension assets added to Social Security funded by workers, employers, and rearranged retirement subsidies - would give all workers a claim on adequate income in retirement, regardless of race. SCEPA proposes GRAs as a mechanism to ensure all Americans have a choice to retire or work after age 65.

Legislators are also encouraged to explore alternative measures to address the long-term fundability of Social Security, including raising the cap on SSA taxable earnings from its current level of \$117,000. In short, raising the retirement age cannot be viewed as a viable solution to the problem of ensuring the long-term fundability of Social Security in light of the racial longevity gap documented here.

ENDNOTES

¹ Life expectancy estimates are calculated by using death rates at each age by race and sex, gathered each year from state death records and Census population estimates, to derive a probability of dying at that age for the coming year. Researchers are divided as to whether life expectancy will continue to increase steadily throughout the coming decades, or whether the increases we've seen so far will reach a biological limit. See Le Bourg (2012) for a review of the debate.

² Elo and Preston (1994) posit this may be partially due to census reporting error. They note serious difficulties in estimating African-American mortality levels, and discrepancies between census records and death certificates for the period 1930-1990. These difficulties are consistent with both under-registration of deaths and greater overstatement of ages in censuses.

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