

Gender and Aging: Poverty and Vulnerability in MICS and in “Rich” OECD Nations

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by

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Introduction

- A. Poverty amongst older women in rich and not so rich nations: how much, where, why?
- B. Common and distinct elements for both
- C. Towards retirement income policy for middle income nations (one size will not fit all)

I. Who Are The Poor?

(e.g., Smeeding, 2001,2003; Smeeding and Sandstrom, 2005)

Rich nations: **'retired'** women (75 percent all poor elders), mainly living on **'social retirement'** (70 percent or more of their incomes) , most **'living alone'** (65 percent all poor in rich countries only)

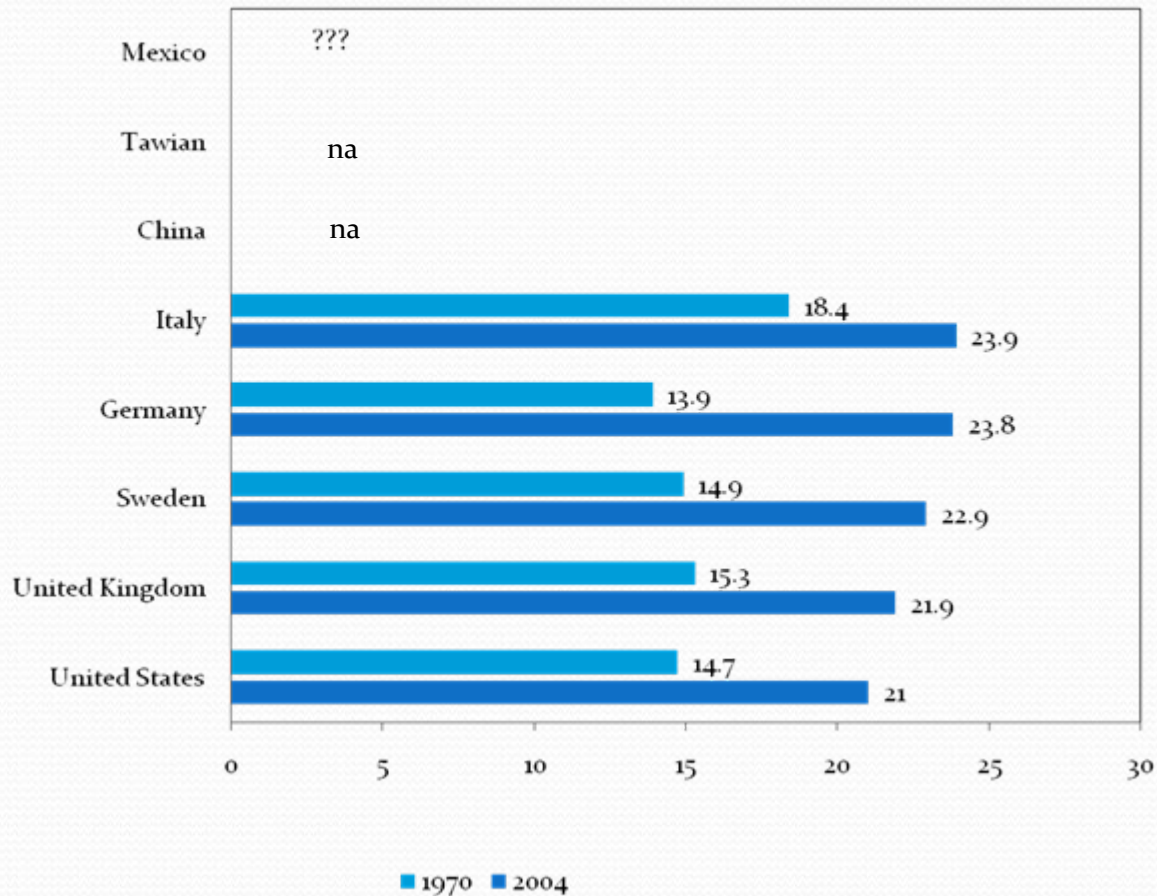
Poor nations: Not so simple and tied up with **level of development, urban-rural location, social policy institutions, tradition and culture**

II. What does 'retirement' mean?

- In rich countries and poor countries older men marry younger women and older men live shorter lives
- But in middle income nations, there is far less retirement
- OECD(2006) reports that statutory retirement age for Mexican women is 65, but actual age is 73 !

“Expected time in retirement” according to the OECD

Women



III. How economically well off are these nations on the whole ?

Table 1. GDP Per Capita: A Rough Index in 2005 (PPP\$)

Country	Index
United States	100
Canada, UK, Sweden	89-90
Germany, Italy, Australia	80-81
Taiwan	36-38
Mexico	20-26
China	14-17

Sources: IMF, World Bank, CIA, UN—see Wikipedia for summary

IV. Where do older women live?

Rich countries: alone or with spouse only

Poorer nations: mainly in multigenerational circumstances (Table 2)

But, same trends in both (e.g.2x)

Table 2. The Prevalence of Elderly Household Structures across Countries

Country	Everyone Over 65			Women Over 65		
	Single	Couple	Multigenerational	Single	Couple	Multigenerational
Australia	33.8	52.2	14.0	30.7	51.8	17.5
Canada	29.2	49.7	21.2	38.7	39.2	22.1
Germany	42.1	51.3	6.7	56.2	36.6	7.2
Italy	26.4	43.2	30.4	35.3	33.6	31.2
Mexico	11.9	17.3	70.8	13.9	12.3	73.8
Sweden	45.6	50.7	3.7	57.7	39.0	3.3
China	0.9	18.5	80.5	1.6	15.1	83.4
Taiwan	11.7	29.8	58.5	12.4	25.2	62.4
UK	37.7	50.1	12.3	48.9	38.3	12.8
US	31.3	48.7	20.0	40.7	37.5	21.8
Total	27.1	41.2	31.8	33.6	32.9	33.5

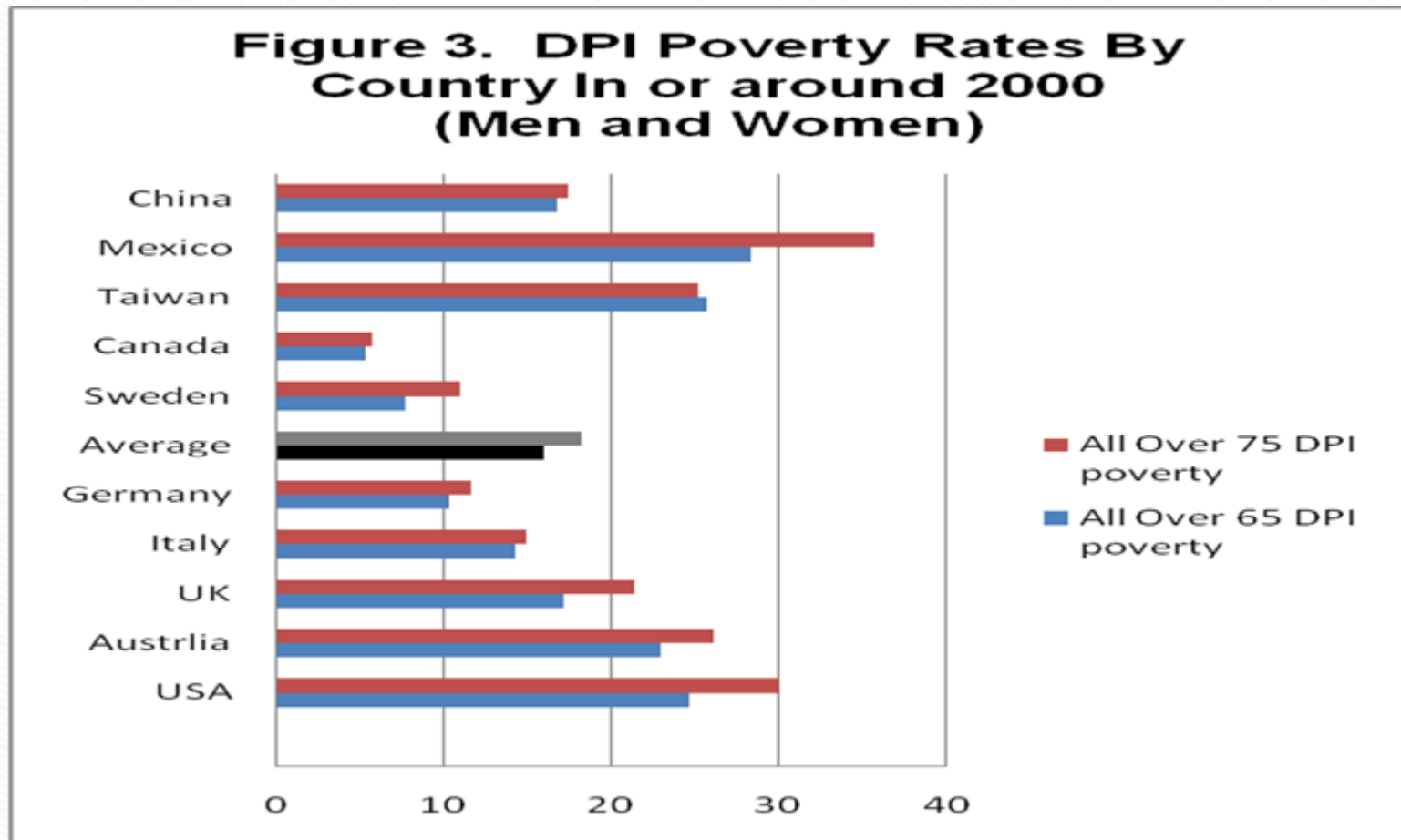
Table 2x Trends in living alone -with others?

Country	Year	Everyone Over 65			Women Over 65		
		Single	Couple	Multigenerational	Single	Couple	Multigenerational
Mexico	1984	7.76	14.74	77.5	9.55	10.81	79.64
Mexico	1989	7.85	15.62	76.53	8.6	12.24	79.16
Mexico	1994	9.71	19.21	71.08	10.29	16.14	73.57
Mexico	2000	11.85	17.34	70.81	13.91	12.32	73.77
Mexico	2002	11.22	22.7	66.08	12.73	18.42	68.84
Change		3.46	7.96	-11.42	3.18	7.61	-10.8
Taiwan*	1981	4.82		95.18	2.59		97.41
Taiwan*	1986	6.78		93.22	4.31		95.69
Taiwan	1991	7.94	19.94	72.12	5.3	16.58	78.13
Taiwan	1995	10.27	23.98	65.75	8.32	20.65	71.03
Taiwan	2000	11.71	29.79	58.5	12.4	25.22	62.37
Change		6.89	29.79	-36.68	9.81	25.22	-35.04
China	1988	0.4		99.6	0.2		99.8
China	1995	0.1	7.5	92.4	0	5.3	94.7
China	2002	0.9	18.5	80.5	1.6	15.1	83.4
Change		0.5	18.5	-19.1	1.4	15.1	-16.4

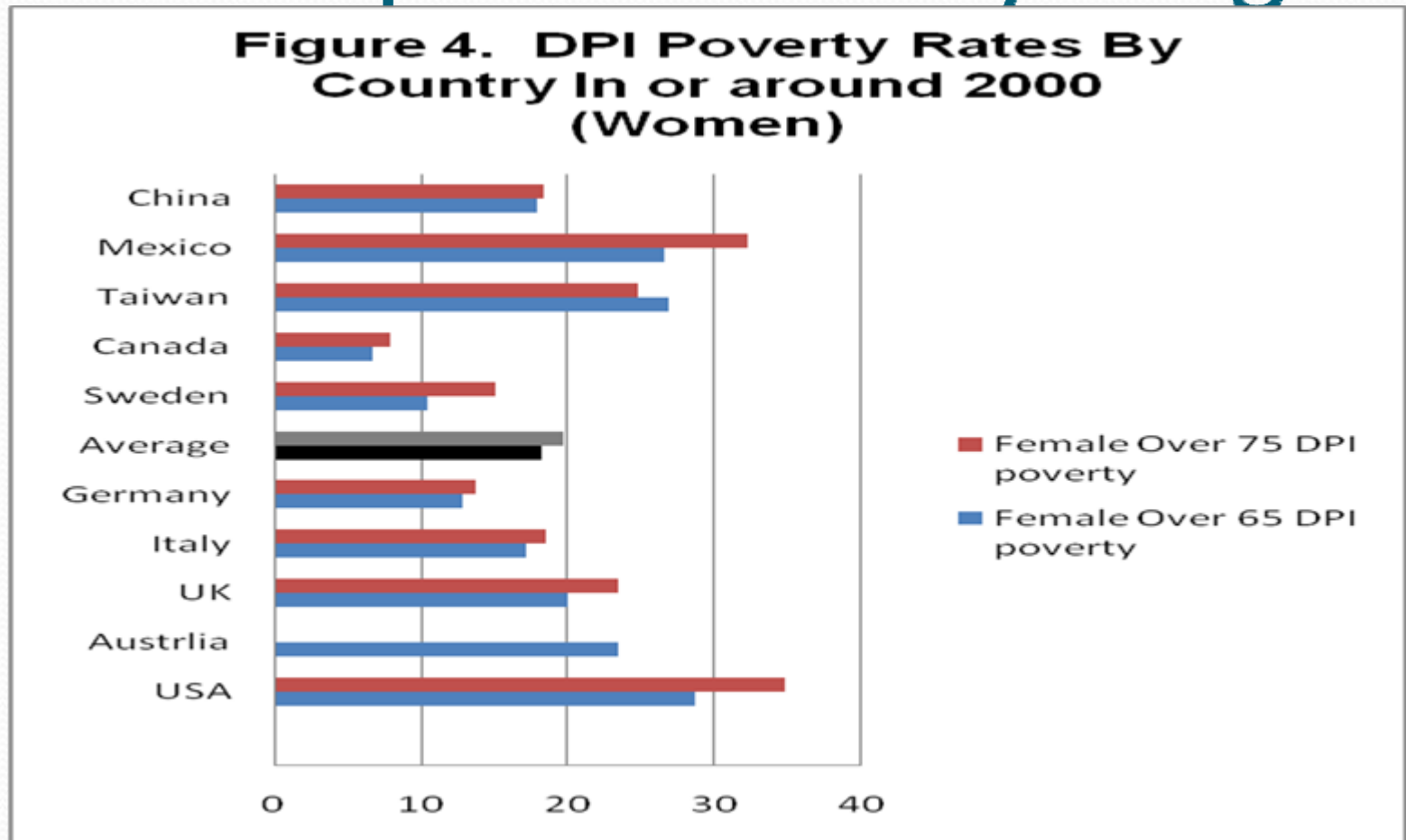
V. How to measure poverty – disadvantage ?

- A. Disposable income (DPI) or market income (MI)
- B. Relative poverty line (40-50 percent overall median)
- C. Equivalence scale(square root)
- D. Assume full sharing within household

Women are poorer than men:



Older are poorer than younger:



VI: The “why question ”:one answer to why are they poor—note the living arrangements differences in poverty rates

Table 4. DPI Elder Poverty Rates by Household Structure, Age, and Gender across Countries

Country	Women 65-74			Women 75 and Over		
	Single	Couple	Multi generational	Single	Couple	Multi generational
Australia	55.6	11.4	3.0	n/a	n/a	n/a
Canada	14.5	1.4	6.1	11.3	2.1	6.6
Germany	21.9	5.2	3.5	17.4	4.4	5.8
Italy	30.0	9.7	14.7	30.2	6.4	10.6
Mexico	39.5	25.3	20.2	59.1	80.5	23.5
Sweden	10.1	1.6	6.8	20.0	1.9	7.0
China	0.0	5.5	21.3	0.0	4.3	19.3
Taiwan	61.3	43.0	13.4	65.5	44.8	9.7
UK	26.7	13.5	6.1	30.3	18.2	6.3
US	41.0	14.7	19.0	49.0	22.7	15.9
Total	30.0	13.1	11.4	31.4	20.6	11.6

Cells contain the percentage of the sub-population with an adjusted household disposable income less than 50% of the country median adjusted household income.

VI: The “why question ” : another reason why older women are poor, income support systems and their design

- A. Rich countries: high vs. low income support for the aged per se via social retirement system of differing design and structure; with income tested top up (Canada); public is means tested (Australia; UK); high flat first tier (Germany, Italy, Sweden), etc .
- B. Poor country : low incomes period, or smaller transfers to aged or others in households with aged that are shared: CCT (Mexico); ‘widows pensions’ (Brazil , S Africa); ‘di bao’ (urban China)

Effects of taxes and all kinds of benefits on poverty

Table 5. Market Income and Disposable Income Poverty Rates, and The Difference Between The Two Rates for Elderly Women across Countries

Country	65-74			75 and Over		
	MI	DPI	Difference	MI	DPI	Difference
Australia	71.7	23.4	48.3	n/a	n/a	n/a
Canada	52.5	5.9	46.7	61.5	7.9	53.6
Germany	83.0	12.2	70.8	87.3	13.8	73.5
Italy	76.0	16.2	59.8	80.8	18.5	62.3
Mexico	35.9	23.5	12.5	38.3	32.2	6.2
Sweden	78.3	5.3	73.0	92.6	15.1	77.5
China	34.7	17.6	17.1	26.8	18.3	8.5
Taiwan	43.9	27.8	16.2	39.0	24.8	14.2
UK	66.1	17.4	48.8	77.1	23.4	53.7
US	59.6	23.3	36.2	72.1	34.8	37.2
Total	60.2	17.2	42.9	63.9	21.0	43.0

Market Income and Disposable Income Poverty Rates by Type of Unit by Household Structure for Elderly Women

	Single			Couple			Multigenerational		
	MI	DPI	Diff.	MI	DPI	Diff.	MI	DPI	Diff.
Australia	n/a	n/a	n/a		n/a	n/a	n/a	n/a	n/a
Canada	76.9	11.3	65.6	53.4	2.1	51.3	30.6	6.6	24.0
Germany	93.6	17.4	76.1	87.5	4.4	83.1	27.4	5.8	21.6
Italy	97.8	30.2	67.6	93.2	6.4	86.8	47.2	10.6	36.5
Mexico	68.8	59.1	9.7	84.3	80.5	3.8	27.7	23.5	4.3
Sweden	95.9	20.0	76.0	89.2	1.9	87.2	41.2	7.0	34.2
China	na	na	na	60.9	4.3	56.6	24.8	19.3	5.5
Taiwan	94.5	65.5	29.0	78.0	44.8	33.2	15.5	9.7	5.8
UK	87.8	30.3	57.5	75.4	18.2	57.2	32.4	6.3	26.2
US	85.4	49.0	36.4	72.3	22.7	49.7	37.1	15.9	21.2
Total	83.9	31.4	52.5	77.1	20.6	63.1	31.5	11.6	19.9

VII. Importance of Shared Living Arrangements

- A.' Living separately ': 'mature' social retirement and high national income buys "living alone" in most all rich countries –e.g. USA 50's-90's
- B. 'Shared' but changing in MICS too (earlier slide)
- C. The necessity of living together: "income splitting" in multi-generation households in poorer nations (follows)

Poverty Rates with Income Splitting Among Family Members
Percent with Incomes Less than Given Percent of
Adjusted Median DPI

A. Taiwan 2000		
	40%	50%
Prior to Income Splitting	16.4	25.0
After Income Splitting		
Non-Elderly (<65)	1.4	3.0
Elderly (65+)	44.5	45.5
A.China 2002		
Prior to Income Splitting	10.0	16.9
After Income Splitting		
Non-Elderly (<65)	3.4	6.2
Elderly (65+)	73.5	74.6
A.Mexico		
	40%	50%
Mexico 2002		
Prior to Income Splitting	14.5	20.0
After Income Splitting		
Non-Elderly (<65)	36.1	40.0
Elderly (65+)	56.1	58.1

VIII: The “why question ” as a “where question” :urban rural issues

- A. What are the basic urban rural differences between and across nations ?
- B. How fast is each sector growing?
- C. Are the same systems in place in both areas (e.g., *Progressa -Opportunades*)

Urban- rural poverty rates – at the same “national median “ poverty line

Table 8. Rural and Urban Disposable Income Poverty Rates for Elderly Women across Countries

Country	Women 65 and Over	
	Rural	Urban
Australia	26.6	21.4
Canada	6.7	6.7
Germany	14.2	10.5
Italy	17.1	17.4
Mexico	40.7	8.7
Sweden	11.6	6.9
China	32.8	0.7
Taiwan	35.7	19.1
UK	21.9	16.8
US	28.2	29.9
Total	23.6	13.8

IX. Formulating social retirement policy in poorer nations , some choices

- **Type of social retirement system**

contributory or pay-go

all public or public/private

- **Level of social benefits for beneficiaries**

targeted (income tested floor)

flat rate first tier (level and generosity, other tiers)

inherited system (Laos, for example)

- **Housing policy**

promote ownership(see LWS table)

subsidize rentals

- **Treatment of Women**

Individuals or couples

spousal-marital benefits

LWS Homeownership and Home Values for Income and Asset Poor Elders

All Poor Households with an Elderly Person as Head/Spouse

Country	Percent Homeowners	Percent Owners Who Own Outright	Median Value Home Equity for Owners
United States (SCF)	59.5	68.0	38,100
Canada	45.1	63.2	24,700
Finland	73.7	100.0	46,600
Germany	44.6	90.9	117,600
Italy	69.1	99.7	37,300
Sweden	41.6	n.a	39,000
United Kingdom	61.8	87.1	97,600

Source: Author's calculations from the Luxembourg Wealth Study; Sierminska et al., LWS WP #2.

X. Conclusions

- “Income package” support in old age comes in three types : self (work, save); family(living arrangements) and private transfers); state (social retirement systems) –and men differ from women in all three elements
- These depend in turn on institutions, culture and policy as well as level of development
- No one size fits all
- Big policy changes during demographic and economic transitions ought to be undertaken carefully

Table 9. Trends in Poverty Rates among All Elders and Elderly Women in three MICS Based on Disposable Income

Country	Year	All Elders		Elderly Women	
		Over 65	Over 75	Over 65	Over 75
Mexico	1984	27.3	33.3	26.1	32.0
Mexico	1989	27.9	31.1	29.2	28.5
Mexico	1994	31	37.4	30.6	37.7
Mexico	2000	28.3	35.6	26.6	32.2
Mexico	2002	27.9	35.4	27.2	32.5
Change		0.6	2.1	1.1	0.5
Taiwan	1981	13.4	13.4	12.0	10.6
Taiwan	1986	13	11.1	12.7	8.1
Taiwan	1991	18.4	19.9	19.6	18.5
Taiwan	1995	21.7	23.6	21.7	19.8
Taiwan	2000	25.7	25.2	26.9	24.8
Change		12.3	11.8	14.9	14.2
China	1988	27.3	33.3	14.9	14.0
China	1995	17.6	16.2	17.0	15.4
China	2002	16.8	17.4	17.9	18.3
Change		-10.5	-15.9	3	4.3