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New Research from EBRI:  
Gender Plays Strong Role in Receiving Annuity, Pension Income

WASHINGTON—Gender is a “particularly strong factor” in determining the likelihood of whether a worker age 50 and older receives an annuity and/or employment-based pension income in retirement, according to a study published today by the nonpartisan Employee Benefit Research Institute (EBRI).

Women over age 50 in 2006 were much less likely than men to receive annuity and/or pension income and if they did the amount was likely to be much smaller, the analysis says. But in the future, younger women are more likely to receive annuity and/or pension income and the amounts are likely to be greater, since younger women today spend more time in the work force than their elders did.

The study appears in the January 2008 EBRI Notes, which evaluates the impact of gender, age, education, marital status, and other demographic factors in the likelihood of a worker receiving annuity and/or pension income in retirement. The study is available at www.ebri.org.

On gender, the study reports that in 2006, some 44.6 percent of men age 65 and older received annuity and/or pension income, with a mean (average) amount of $17,200 per year. By contrast, only 28.4 percent of women age 65 and older received annuity and/or pension income in 2006, with mean pension income of $11,142 annually.

Thus, a woman age 65 or older in 2006 was only about two-thirds (63.7 percent) as likely to receive an annuity and/or pension payment as her male counterpart. If she did receive one, her mean benefit was likely to be about 65 percent of that received by a man in the same age group.

The reason for the difference, the study said, is that women age 50 and over in 2006 were born in 1956 at the latest and are part of a group who, on average, spent fewer years in the labor force than their younger counterparts. On average, younger women today also spend less time in the labor force than men of similar ages and tend to have lower-paying jobs. However, on average, today’s younger women tend to spend more time in the work force than did women who were and 50 and older in 2006. Thus, the likelihood that younger women will receive annuity and/or pension income and the amounts they will receive are likely to increase over time as younger generations of women retire, the study says.
The study includes these other points:

- **Age:** The likelihood of receiving annuity and/or pension income increases with age, until the oldest age group (80 and older), for whom the data show a lower percentage receiving such income. However, the percentage of those 80 and older receiving annuity and/or pension income increased from 17.7 percent in 1975 to 39.7 percent in 2006.

- **Education:** In 2006, some 27.5 percent of men age 50 and older with a graduate-level education received annuity and/or pension income, compared with 21.7 percent of men without a high school diploma—a differential of 5.8 percentage points.

- **Marital status:** Men age 50 and older in 2006 who were married or widowed were more likely to receive annuity and/or pension income than men of the same age who were never married. Women age 50 and older in 2006 who were never married were more likely to receive annuity and/or pension income than married women, but widowed women were much more likely to receive annuity/pension income than either married women or women who were never married.

- **Industry sector:** While fewer individuals age 50 and older received pension income from a public-sector plan (7.5 percent) than from a private-sector plan (12.6 percent) in 2006, the median amount an individual received from a public-sector plan ($17,974) was considerably larger than that received from a private-sector plan ($8,146).

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