

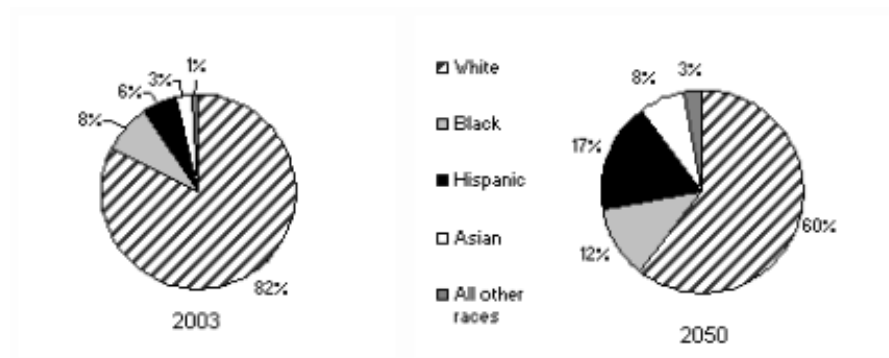
Older Minorities: A Demographic Profile

Older racial and ethnic minorities in the United States are, on average, in poorer health, less educated, and have fewer financial resources than their white counterparts. The socioeconomic status of many older minorities reflects patterns of discrimination experienced earlier in life. Those who immigrated to the United States often face additional cultural and language barriers. While gaps have narrowed, disparities still persist. Consequently, older minorities continue to be disproportionately poor. This raises special concern as racial and ethnic minorities are projected to double as a proportion of the older population within the next decades. The changing demographic composition of America's older population and their diverse life experiences are critical to consider as the nation assesses more equitable entitlement reform.

Older Americans are becoming a more diverse population

- Racial and ethnic minorities are the fastest growing segment of the older population in the United States. The number of older minorities is projected to increase five-fold from about 6.4 million in 2003 to 34.7 million in 2050.

Total Population 65 and Older by Race and Ethnicity, 2003 and 2050 (projected)



Source: U.S. Census Bureau

- Currently, minorities represent about 18% of the population 65 and older, but by 2050 they will account for about 40% of that population. Older Asians and Hispanics will experience the sharpest growth: by 2050 the number of Asians 65 and older is projected to double and Hispanics to triple as a proportion of the population.

Older Minorities are in poorer health and have less access to healthcare services

- According to reports by the Institute of Medicine, minority groups have higher rates of illness, injury, and premature death, less access to healthcare services, and receive lower-quality care than their white counterparts. Language and cultural differences preclude some minorities, especially immigrant populations, from using formal healthcare services. Many conditions affecting older minorities stem from disparities in the healthcare they received at younger ages.
- In 2002, blacks and Hispanics 65 and older were more likely to report themselves as being in poor or fair health, 41% and 38%, respectively, than their white counterparts, 24%. While negative responses increased with age

for all racial and ethnic groups, the difference between each group remained, increasing to 47% for blacks and Hispanics 85 and older, and 33% for whites in that age group.

- Older blacks and Hispanics had higher rates of disabilities than their white counterparts. Among the population 65 and older, about 53% of blacks reported having at least one disability in 2000 as did 49% of Hispanics, 41% of Asians, and 40% of non-Hispanic whites.
- Older minorities were less likely to receive preventative treatments such as vaccinations and cancer screenings than whites. Over 70% of whites 65 and older received the flu shot in 2002 compared to only about 50% of blacks and Hispanics. Low-income women and those without a high school education, who are disproportionately racial and ethnic minorities, were less likely, to have had a mammogram, about 55% in 2000, than women with higher incomes and educational attainment, about 70%.
- Chronic diseases include some of the most costly health conditions and are more prevalent among minority groups. Diabetes was the fourth leading cause of death among blacks, Hispanics, and Asians 65 and older, but only the seventh for whites. Certain types of cancer, kidney, and liver disease occur more frequently in blacks and Hispanics as well.
- In 2003, over half of the 45 million uninsured Americans were ethnic and racial minorities. About 33% of Hispanics lacked health insurance, as did 20% of blacks and Asians, and 11% of non-Hispanic whites. Insurance is a principal determinant of whether people regularly use formal healthcare services; those who do not use these services are more likely to enter retirement with more aggravated health conditions.
- The number of uninsured Americans between the ages of 55 and 64 is growing rapidly. According to a study by the Urban Institute, about 31% of Hispanics and 15% of blacks ages 55 to 64 lacked health insurance in 1998, compared to only 8% of non-Hispanic whites.
- Roughly one in five Medicare beneficiaries 65 and older is a member of a racial and ethnic minority group, and by 2030, that proportion is expected to increase to one in three. Among Medicare beneficiaries, blacks incurred the highest medical expenditures in 2001, about \$13,000, compared to \$11,000 for whites and \$8,500 for Hispanics.
- Minority Medicare beneficiaries were less likely to have supplemental insurance: About 26% of blacks and 19% of Hispanics relied solely on Medicare for their healthcare coverage in 2001 compared to 14% of whites. This can create huge financial burdens for beneficiaries who must pay out-of-pocket costs for services not covered under Medicare.

Life Expectancy

- Improved education, access to healthcare services and quality of working conditions in the last century have reduced racial and ethnic disparities in life expectancy. While differences are still evident, they decrease with age.
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In 2003, differences in life expectancy were greatest between black and white men at birth. However, the initial six-year difference was reduced to two years once men reached 65 years of age. The trend between black and white women was similar as the gap decreased from four years at birth to only one year at 65.

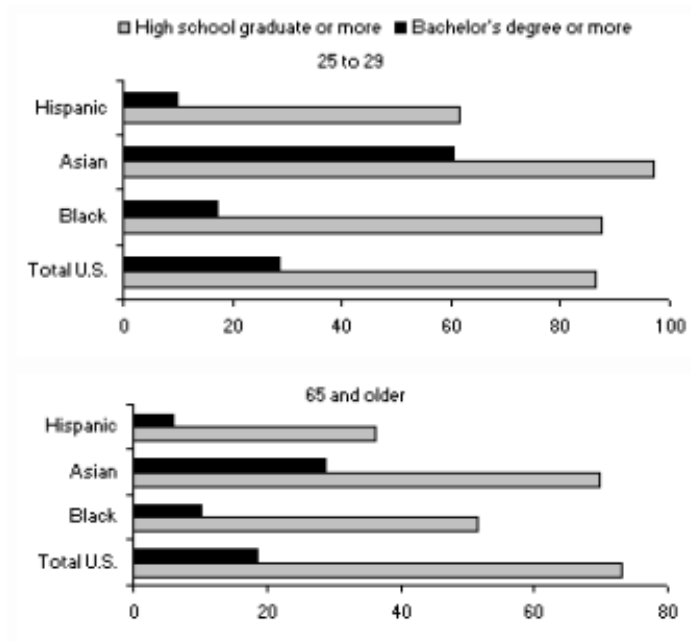
Source: NCHS 2003	White		Black	
	Men	Women	Men	Women
At birth	75.4	80.5	69.2	76.1
65 years	16.9	19.8	15.0	18.5
85 years	6.0	7.1	6.5	7.7

- Asians and Hispanics tend to have higher life expectancies at older ages: At age 65 Asian and Hispanic men are expected to live about 19 more years, two years longer than white men; at age 65 Asian and Hispanic women are expected to live about 23 more years, three years longer than white women. Genetics, cultural attitudes, and lifestyle choices are often cited as reasons why Asian and Hispanic life expectancies are higher.

Older blacks and Hispanics are less educated than older whites or Asians

- Educational attainment is an important indicator of socioeconomic status and economic well-being at older ages. While younger age cohorts are more educated than the older population, racial and ethnic disparities still prevail across all age groups.

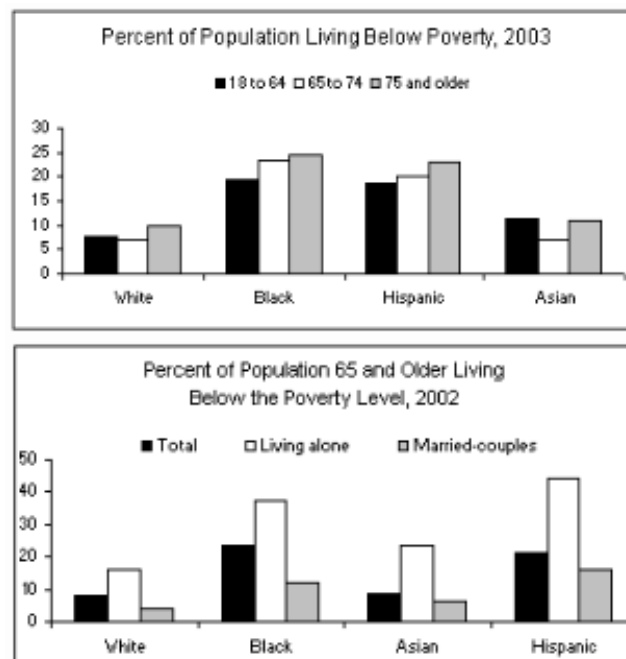
Educational Attainment by Race and Ethnicity, 2003



Source: U.S. Census Bureau

- In 2003, whites and Asians 65 and older were more than twice as likely to have graduated from high school as their black or Hispanic counterparts.
- Among the pre-retirement population, those between the ages of 45 and 54, about 94% of whites, 87% of Asians, and 85% of blacks had graduated from high school in 2003, but only 61% of Hispanics had.
- Blacks and Hispanics in the pre-retirement population were only about half as likely as whites and Asians to have a Bachelor's degree or higher education.
- Racial and ethnic differences were evident even among 25 to 29 year olds: Only about 60% of Hispanics had graduated from high school in 2003 compared to 87% of blacks, 93% of whites, and 97% of Asians. Blacks and Hispanics 25 to 29 were only half as likely as whites and Asians those ages to receive a Bachelor's degree or more education.

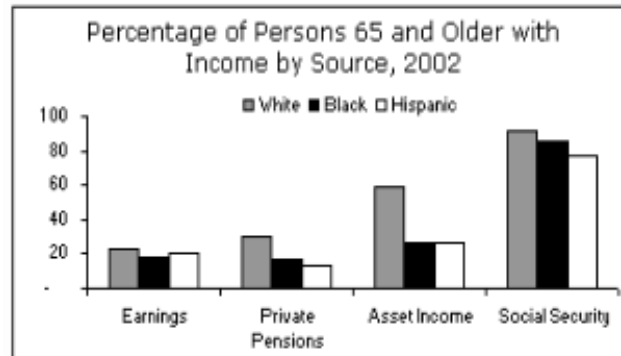
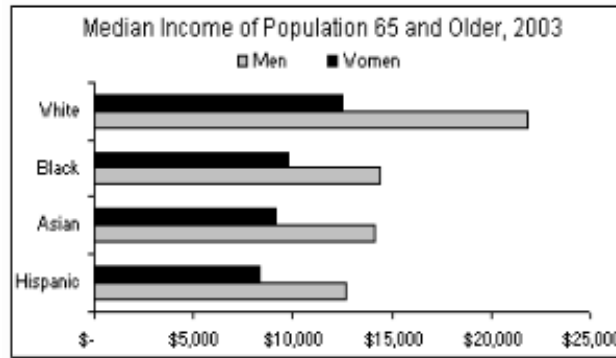
Older blacks and Hispanics are twice as likely to be poor than whites



Source: U.S. Census Bureau

- About 23% of blacks and 21% of Hispanics 65 and older lived below the poverty level in 2003, compared to less than 10% of whites or Asians 65 and older.
- Older women have higher poverty rates than men. In 2003 roughly 25% of black and Hispanic women and 15% of Asian women 65 and older lived below the poverty level compared to 8% of white women those ages.
- Overall, older Americans who lived alone were about three times as likely to live below the poverty level as married couples. Older blacks and whites were twice as likely to live alone as older Asians and Hispanics.
- About 37% of blacks and 44% of Hispanics who lived alone were below the poverty level in 2002, more than double the rate of their white counterparts, 16%.

Older minorities have fewer financial resources than whites



Source: U.S. Census Bureau

Source: Social Security Administration

- In 2003, median household incomes of minorities 65 and older were, on average, about a third less than white incomes.
- About one-fifth of blacks and Hispanics 65 and older relied on earnings as their only source of retirement income in 2002.
- The wealth gap far exceeds the income gap. In 2001, the median net worth of older white households, \$205,000, was five times greater than older black households, \$41,000.
- Only 26% of blacks and Hispanics 65 and older received income from assets compared to about 60% of whites.
- About 17% of blacks and 13% of Hispanics 65 and older received income from private pensions compared to 30% of whites.
- Roughly 13% of minorities and whites 65 and older continued to work, and about 20% of each group received income from earnings. However, 6% of blacks and Hispanics 65 and older in the labor force were unemployed, double the rate of whites, 3%.
- Unemployment rates were higher for blacks and Hispanics at younger ages as well: about 8.5% of blacks and 6% of Hispanics aged 25 to 54 in the labor force were unemployed in 2003 compared to 4% of whites and Asians those ages.
- Older minorities enter retirement with fewer financial resources than whites because they have different employment patterns that affect lifetime earnings and the ability to save or invest.

- Minorities, particularly blacks and Hispanics, are often concentrated in low-wage jobs that lack pension coverage. Over 30% of blacks and 40% of Hispanics were employed as laborers or service workers in 2002, more than twice the rate of whites, 15%, and Asians, 16%.

Older minorities depend more on Social Security

- Since many older minorities lack additional economic resources such as pensions or income-producing assets they, on average, rely on Social Security for a greater portion of their retirement income than non-Hispanic whites.
- In 2002 about 40% of black and Hispanic beneficiaries relied on Social Security as their only source of retirement income- double the rate of whites. Almost half of black and Hispanic beneficiaries compared to a third of whites relied on Social Security for 90% or more of their retirement income.
- The importance of Social Security for older racial and ethnic minorities cannot be overestimated: Without Social Security the poverty rate for older blacks and Hispanics would more than double to about 55%.

This Executive Summary was prepared by Caroline Fritz of the Population Resource Center in May 2005. Sources include the U.S. Census Bureau, the Social Security Administration, the Administration on Aging, the Urban Institute, the National Center for Health Statistics, the Institute of Medicine, the AARP, and the National Committee to Preserve Social Security and Medicare. For further information, please contact PRC at (202) 467-5030; 1725 K Street NW, Suite 1102, Washington, DC 20006.