
THE GOLDEN YEARS: AFRICAN AMERICAN WOMEN AND RETIREMENT

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Introduction

The majority of the U.S. elderly population, persons 65 years of age and older, consists of women. In 2002, there were over 33 million women age 55 and over, compared to 26.6 million men (United States Bureau of Census, 2002). A woman's life expectancy rate is 7.1 years greater than her male counterpart. Therefore, we can expect that more women, on average, will outlive men in their golden years. Although women clearly outnumber men in the U.S., very little is known about the experiences of women as they age and enter retirement. Even less is known about the retirement experiences of African American women (Gibson, 1987).

Although women make up almost half of the workforce, retirement is still conceptualized as a male experience (Kim & Moen, 2001; Quick & Moen, 1998). This is particularly the case for African American women who, ironically, have participated much longer in the workforce than their white counterparts (Ralston, 1997).

The purpose of this literature review is to attain a better understanding of African American women and their economic status during retirement. First, I examine definitions and relevant theories of retirement. Second, I discuss two lifetime socioeconomic factors, education and income, to clarify how they affect African American women during retirement. Third, I conclude this review with suggestions for future research.

Definitions of Retirement

Retirement is a transitional stage of life that can be a pleasant experience for some, yet traumatic for others. Subjectively, retirement is a self-defined notion that can mean different things to different people. For some, retirement may mean reducing the amount of work hours per week from full-time to part-time status, while for others it may mean working on a voluntary basis. For still others it may mean ceasing from all work activity paid or unpaid. Objectively, retirement can be defined simply as disengagement from business or public life. From a more traditional view, retirement from an economic perspective is a time when one is no longer gainfully employed and receives a retirement pension benefit (Richardson, 1999, Atchley, 1988). Despite these subjective and objective definitions of retirement, one can

agree that retirement requires a reduction of activities prior to the later stages of life.

Theories of Retirement

Three aging theories: role theory, continuity theory and life course perspective help to explain the retirement experience of older adults.

According to *role theory*, retirement is an adjustment of one's principal role usually as a paid worker, a role that is central to a person's identity (Kim & Moen, 2001). Roles give people a sense of worth and achievement (Choi, 2001) and help shape their behavior and self-concept (Hooyman & Kiyak, 2000). Further, role theory suggests that retirement can be a stressful event for individuals due to the loss of a fundamental social role. Learning to deal with role loss may cause individuals to feel a sense of vulnerability. For instance, some retired individuals may experience feelings of disconnect and anxiety that may lead to low levels of life satisfaction during retirement (Kim & Moen, 2001; Richardson & Kilty, 1991; Quick & Moen, 1998).

Continuity theory describes retirement as a linear series of life events that gradually lead to a logical career stage and a pleasant experience or transition without maladjustment or distress into retirement (Hooyman & Kiyak, 2000; Quick & Moen, 1998). It suggests that the circumstances of retired women (e.g., resources, behaviors) do not change, but instead they maintain a consistent pattern. Further, as they age, women frequently substitute new roles for lost ones (Atchley, 1988; Hooyman & Kiyak, 2000). Additionally, women's central personality (e.g., core characteristics and values) will be more pronounced during the later stage of life (Hooyman & Kiyak, 2000).

These two traditional theories of retirement are insufficient for explaining how older women, especially older African American women, experience retirement. In contrast to role theory that assumes an individual's role of worker is primary (Adams, Prescher, Beehr, & Lepisto, 2002), African American women do not typically have one principal role, but maintain several roles simultaneously all through their life course (Cochran, Brown, & McGregor, 1999). In addition to their work related roles, many older African American women reside in multigenerational households and are caregivers of immediate, kin and non-kin family members (Staples & Boulin-Johnson in Cochran et al., 1999; Taylor, Chatters, & Mays, 1988). They are also active as volunteers in their communities and in their churches (Ralston, 1997). Therefore, the assumption that older black women are looking forward to retirement where there will be a reduction in their stress levels and a greater quality of life may not be realized (Kim & Moen, 2001). Role theory also posits that many women return to work after retirement because of the rolelessness or the lack of fulfillment during retirement.

However, African American women typically return to work out of financial necessity (Silverman, Skirboll, & Payne, 1996). Oftentimes older African American women, in addition to being paid low wages, are poorly informed or ill-advised about their retirement options, social security and other retirement benefits, thus leading to reduced resources during retirement, and in some instances, having to live at or below the poverty level (Richardson, 1999) or return to work. However, even if older African American women had the means to invest, the door of investment institutions may have been closed due to racial discrimination in business practices (Jackman & Jackman, 1980; Kain & Quigley, 1972).

Continuity theory assumes a linear flow with continued growth and an accrual in resources throughout the lifespan in preparation for retirement. However, Richardson, (1999) notes that continuity theory fails to consider that women receive substantial reductions in resources during retirement. This may be the case particularly for African American women who have been oppressed, denied, or lacked adequate access to educational, professional and economic opportunities. For example, many African American women have typically been employed in and remained in semi skilled or unskilled low wage jobs primarily due to racist and discriminatory workplace practices that limited access to educational opportunities that would provide increases in pay and professional advancements. Therefore, many African American women would continue to earn the same wages throughout their life course, thus reducing their resources during retirement (Perkins, 1993a).

Consequently, African American women may not have been able to increase their human capital over time. Further, continuity theory does not account for individuals who do not consistently work full-time over their life course. Rather this theory assumes a natural and gradual progression into retirement. Many African American women often have interruptions in their employment histories or may not consistently work full-time (Ozawa, 1995). Disproportionate numbers of African American women take time off work to have children, fulfill caregiving responsibilities, or may not be able to find stable full-time employment (Ralston, 1997).

Researchers (e.g., Richardson 1999, Silverman, Skirboll, & Payne 1996) agree that almost all traditional theories of retirement have been based on the male experience and do not accurately depict the true experience of older women in retirement. In a similar vein, role and continuity theories may not be appropriate theories for understanding the experiences of African American women. For instance, these theories do not consider the multi-dimensional life of older African American women, which includes race, culture, multiple roles, and life events (Richardson, 1999). The life course perspective, however, provides a useful theoretical lens for explaining retirement experiences of African American women. This perspective emphasizes a non-linear developmental and multidisciplinary approach describing changes as people age over their life course. It also emphasizes the effects of history, social

structure and the individual's meaning of life in aging (Hooyman and Kiyak, 2002). The life course perspective is more appropriate than role theory or continuity theory for understanding the retirement experiences of African American women for the following two reasons. First, this perspective considers how aging relates to and is shaped by social contexts, history, time period, cultural meanings and location (Hooyman & Kiyak, 2000). For example, examining an individual's lifetime events such as family history, social norms, access to education, and savings captures a clearer picture of the individual's present circumstances which may influence living conditions during retirement.

Second, unlike role theory and continuity theory that assumes a continual progression in social roles without any disruptions, the life course perspective focuses on the timing of social roles. That is, this perspective recognizes that people may make multiple entries and exits in work roles (Quick & Moen, 1998). Disproportionate numbers of African American women for example, may not experience full-time employment over the life course due to disrupted work histories in response to family responsibilities, structural unemployment (e.g., layoffs) or poor health (Ralston, 1997). The life course perspective helps explain these disrupted work histories of African American women. It also helps clarify how these women's changing work roles and other issues of cumulative disadvantage such as their limited opportunities for savings and private pensions plans (Hooyman & Kiyak, 2000), may impact the economic conditions of African American women during retirement.

Socioeconomic Status and Life Course Factors

Due to the greater social and economic inequality of minority populations in the U.S. (Mutran & Sudha, 2000), African American women have had fewer opportunities and limited access to many societal institutions (e.g., quality education and equal employment) than white women. Due to a lifetime of social and economic inequalities, older African American women generally have fewer economic resources available to them and limited retirement income (Richardson, 1999). Consequently, to understand the lives of African American women during retirement, one must first consider extrinsic social and economic factors such as the limited education and income resources of these women over their life course.

Education

Contemporary African Americans of retirement age grew up during a time of racial segregation and extreme race and sex discrimination. Although education was of great value in African American communities, it was not easily obtainable for African American women, especially those from the southern region of the U.S. that dictated an agricultural economy (Ralston, 1997). On average, older African American women attained lower levels of education than their white counterparts. For example,

Williams and Wilson (2001) report that African Americans 65 years and older are 1.7 times less likely than whites to have completed high school and two times less likely to have completed a bachelor's degree. Similarly, Dreeben (2001) found that compared to whites, African Americans are less likely to graduate from high school and college, and less likely to hold professional or white collar positions. Because of discrimination, some African Americans who could afford to pursue higher education received less encouragement or incentive to complete their education. Those who successfully completed their education were still faced with the frustration of not being equally compensated for the same work performed by their white counterparts (Perkins, 1993a).

Income

In general, a reduction in income accompanies retirement. Examining lifetime financial resources such as earnings, private pensions and social security gives a clearer understanding of why African American women are not as successful financially as their white counterparts and are at greater risk of being poor during retirement. For example, Ozawa and Tseng (2000) found a considerable difference between the net worth of African American women and their white counterparts. Specifically, lifetime earnings for African Americans was a principal predictor of net worth in old age. Ozawa & Tseng explained these results as perhaps being due to a culmination of events that African American people experience throughout their lives from generation to generation (e.g., little financial help from parents, no family inheritance). Alternatively, being employed in low wage jobs and earning less pay over their life course than their white counterparts may account for poorer economic conditions of African American women in retirement (Richardson, 1999). Lower pay and poor lifetime earnings create less opportunity for savings and investments for later life, which results in lower retirement benefits (Hammond, 1995).

To reiterate, African American women's employment histories, entries to and exits from the labor force help explain their retirement experience (Ralston, 1997; Perkins, 1993a). Leaving the labor force reduces not only current income, but it also affects potential future income from both public and private retirement sources (Ozawa, 1995). Since benefits in retirement are directly tied to lifetime employment history, many African American women will receive less in retirement benefits than they require to meet their needs (Zhan & Pandey, 2002). Private pensions are also a factor that determines the economic fate of African American women in retirement. Low-income minority women generally work in low paying and low status jobs (e.g., clerical, sales, administrative support jobs) (Perkins, 1993a, 1993b), which do not generally provide pensions or benefits for their employees. Therefore, African American women who work in low-paying jobs without pensions and benefits often end up relying on social security as their primary source of income during retirement.

The social security retirement benefit is largely based on previous earnings and length of employment. There is an assumption in the literature that the current system works to the advantage of people of color because it currently operates on a benefit formula that is slanted in favor of low wage income earners, who are primarily African American and female. A study by Ozawa and Kim (2001) found that, on average, African American women receive social security benefits that represent 58% of their pre-retirement monthly income compared to 44% for white women. However, since African American women earn lower wages than white women, it is important to examine the relationship between lifetime benefits and lifetime contributions. Further, the findings of Ozawa and Kim (2001) revealed that, on average, African American women receive a lifetime benefit 5.81 times greater than their lifetime contribution, while their white counterpart receives 8.44 times greater than her lifetime contribution. Although African American women, proportionally speaking, receive higher monthly benefits, they still receive a smaller amount of lifetime benefits when compared to white women.

Future Research

In conclusion, results from this literature review revealed a dearth of information about African American women during retirement. Consequently, future research should pay special attention to these women in order to provide a better understanding of their unique life circumstances in retirement.

It should reexamine the definitions, theories and meaning of retirement for older African American women. Both theoretical and empirical evidence is needed to identify the social and cultural factors that make the African American woman's experiences unique and to clarify how these experiences impact the lives of retired African American women. Although the life course perspective is helpful for understanding the retirement experiences of African American women, the development of a theoretical framework that helps explain their work and retirement experiences in a social, cultural, and economic way would be more useful for capturing the essence of African American women's experiences over the life course.

As the aging population continues to grow, it is vital that researchers continue their research efforts in understanding the African American retired woman. In addition to providing more descriptive information on the social, demographic, health and satisfaction (e.g., marital status, education, income, poverty, health, and life satisfaction) of older African American women during retirement, future research should explore the reasons and decision making processes leading to retirement. It should examine the diversity of roles older African American women occupy during retirement. Such information will help form a more comprehensive picture of older African American women during retirement.

Further future research should employ different data collection techniques such as field surveys and qualitative research techniques, (e.g., ethnographic studies and focus groups). National representative samples of African American women retirees will facilitate research findings that are generalizable, and aid in the development of alternative theories of retirement that are applicable to this population.

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