

GAO Highlights

Highlights of [GAO-14-33](#), a report to the Chairman, Special Committee on Aging, U.S. Senate

Why GAO Did This Study

Marriage has historically helped protect the financial health of couples and surviving spouses in old age. Based on their marriage, and independent of their own work history, spouses may receive retirement and survivor income through Social Security and some employer-sponsored pension plans. Many of the federal requirements governing these benefits were developed at a time when family structures, work patterns, and pensions were very different from what they are today. In recent decades, marriage has become less common, more households have two earners rather than one, and many employers have shifted from DB plans to DC plans. In light of these trends, GAO was asked to examine the issue of marriage and retirement security. Specifically, GAO examined: (1) the trends in and status of marriage and labor force participation in American households, (2) how those trends have affected spousal benefits and retirement savings behavior within households today, and (3) the implications of these trends for future retirement security. GAO analyzed nationally representative survey data including the Survey of Consumer Finances, the Survey of Income and Program Participation, and the Current Population Survey (CPS); conducted a broad literature review; and interviewed agency officials and a range of experts in the area of retirement security.

GAO is making no recommendations. GAO received technical comments on a draft of this report from the Department of Labor and the Department of the Treasury, and incorporated them, as appropriate.

View [GAO-14-33](#). For more information, contact Charles Jeszeck at (202) 512-7215 or jeszeck@gao.gov

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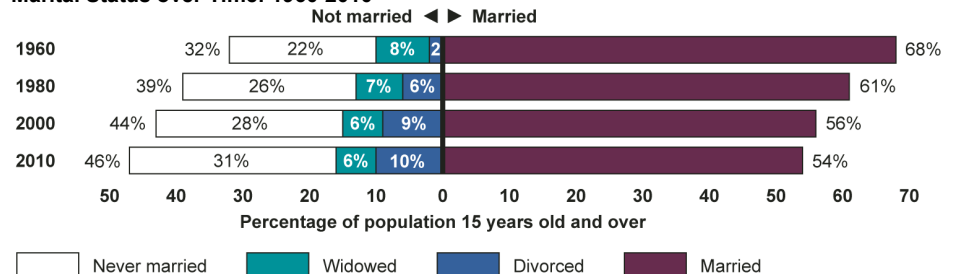
RETIREMENT SECURITY

Trends in Marriage and Work Patterns May Increase Economic Vulnerability for Some Retirees

What GAO Found

Over the last 50 years, the composition and work patterns of the American household have changed dramatically. During this period, the proportion of unmarried and never-married individuals in the population increased steadily as couples chose to marry at later ages and live together prior to marriage (see figure). At the same time, the proportion of single-parent households more than doubled. These trends were more pronounced for individuals with lower levels of income and education and for certain racial and ethnic groups. Over the same period, labor force participation among married women nearly doubled.

Marital Status over Time: 1960-2010*



Source: GAO analysis of CPS data.

*These statistics represent a snap shot of marital status at a particular point in time. Percentages within the not married sub-categories may not sum to the not married total due to rounding.

Taken together, these trends have resulted in a decline in the receipt of spousal and survivor benefits and married women contributing more to household retirement savings. From 1960 through 2011, the percentage of women aged 62 and older receiving Social Security benefits based purely on their spouse's (or deceased spouse's) work record declined from 56 to 25. At the same time, the percentage of women receiving benefits based purely on their own work records rose from 39 to 48. Further, as of 2010, among married households receiving pensions, 40 percent had elected not to receive a survivor benefit. Rising labor force participation among married women enabled them to contribute more to household retirement savings. From 1992 to 2010, married women's average contributions to household retirement savings increased from 20 to 38 percent.

In the future, fewer retirees will receive spousal or survivor benefits from Social Security and private employer-sponsored pension plans, increasing vulnerabilities for some. Eligibility for Social Security spousal benefits among women is projected to decline, in part, because fewer women are expected to qualify based on marital history and more are expected to qualify for their own benefit based on their own work record. For many women, this shift will be positive, reflecting their greater earnings and capacity to save for retirement. However, women with low levels of lifetime earnings and no spouse or spousal benefit may face greater risk of poverty in old age. For private plans, the shift from defined benefit (DB) to defined contribution (DC) plans increases the vulnerability of spouses because of different federal protections for spouses under these plans. DB plans are required to offer survivor benefits, which can only be waived with spousal consent. In contrast, DC plan participants generally do not need spousal consent to withdraw funds from the account.