



# Key findings on ethnic, gender, and racial disparities

*Many MRDRC projects explore how various subpopulations experience work, retirement, and disability, as well as how policy changes might affect different groups. Below are key findings from such recent projects.*

## Health and disability

### **Gendered Impacts of COVID-19 on Economic and Retirement Security**

María Prados, Jeremy Burke; WP 2022-447, [UM22-08](#)

- ▶ Women were more likely than men to exit the labor force early in the pandemic.
- ▶ Gender differences in employment were driven by white women, married women with young children, and women in high-income households.
- ▶ Rather than increasing, we find that gender differences in short-term financial stability decreased during the pandemic's first year, in part due to heterogeneous impacts of the stimulus.
- ▶ There are no differential impacts by gender on changes to the forecasted levels of Social Security retirement benefits.
- ▶ Overall, our evidence is consistent with gender differences in employment being driven by relatively financially stable women voluntarily exiting the workforce.

### **Investigating Racial and Ethnic Disparities in the Provision of Workplace Accommodations in the U.S.**

Debra Brucker, Megan Henly, Andrew J. Houtenville; WP 2022-442, [UM22-15](#)

- ▶ Using data from the 2002 to 2018 Health and Retirement Study, receipt of workplace accommodations does not vary by race for Americans with work limitations, when controlling for age, gender, education, organization size, and the physical nature of an occupation.
- ▶ An estimated 36% of persons with a work limitation who were white, 34% of persons with a work limitation who were Black, 33% of persons with a work limitation who were of other races, and 36% of persons who were Hispanic received workplace accommodations, controlling for other factors.
- ▶ Persons working in organizations that employed 100 or more people had significantly higher odds of receiving

*Continued on Page 2*

workplace accommodations than persons working in smaller organizations.

### **The Dynamic Effects of Health on the Employment of Older Workers: Impacts by Gender, Country, and Race**

Richard Blundell, Jack Britton, Monica Costa Dias, Eric French, Weijian Zou; WP 2022-451, [UM22-13](#)

We investigate the effect of health on the employment of those ages 50 to 70, by race, gender, and country.

- ▶ Employment rates of nonwhites are significantly lower in the U.S. In England, racial differences in employment are modest. However, in the U.S. employment rates of white men (women) are over 10 (5) percentage points higher than for nonwhites in their 50s.
- ▶ In both the U.S. and England, nonwhites are on average in worse health. These racial differences in health are larger in the U.S. than in England. Furthermore, these racial differences in health are larger for women than men in both countries. These differences in health exist among both objective measures (such as diabetes, heart attacks) as well as when using more subjective measures of overall well-being.
- ▶ These racial differences in health largely explain differences in employment across races. In fact, once we condition on health and education, nonwhites have higher employment rates than whites, with health explaining more than education.
- ▶ The impact of health shocks on employment is larger for nonwhites than for whites and is larger in the U.S. than England. For example, declining health can explain 13% (19%) of the employment decline for white (nonwhite) women in the U.S. Part, although not all, of these differences are explained by the occupational demands of the jobs held by nonwhites.

### **The Relationship Between Adverse Experiences Over the Life Course and Early Retirement Due to Disability**

Amanda Sonnega, Brooke Helppie-McFall;

[WP 2021-435](#), UM21-07

- ▶ This study examines the relationship between adverse experiences over the life course and retirement due to disability.
- ▶ The number of cumulative lifetime adversities was associated with retirement due to disability; that is, retirement in the context of a health problem that completely limits work.
- ▶ The domains of childhood financial adversity and adult social adversity were most consistently associated with an increased hazard of retirement due to disability.

## **Retirement preparedness**

### **Understanding Racial Disparities in Financial Preparedness for Retirement**

Junjie Guo, Ananth Seshadri; WP 2022-445, [UM22-18](#)

- ▶ The Black-white gap in the labor force participation rate at age 62 is mostly due to the racial differences in health and the fixed cost of working, a parsimonious measure that includes the transportation cost, the psychological cost, and any other costs associated with working.
- ▶ The Black-white wealth gap at age 62 is mostly due to the racial wage gap.
- ▶ The lower interest rate (return to assets) faced by Blacks also contributes to the racial wealth gap.
- ▶ Reducing the racial discrimination faced by Blacks in both the labor and the financial markets could go a long way in addressing the racial disparities in financial preparedness for retirement.

## Work and Retirement of Older Black and Hispanic Adults

Emma Aguila, Zeewan Lee; WP 2022-452, [UM22-16](#)

- ▶ Non-Hispanic Blacks continue to have relatively low levels of Social Security wealth.
- ▶ Hispanics have seen their Social Security wealth increase as a result of a more redistributive formula for benefits and continued decreases in their mortality rates.
- ▶ Social Security, private pension, and other institutional influences affect Hispanics, non-Hispanic Blacks, and non-Hispanic whites similarly in their work and retirement decisions.
- ▶ Physical and mental health problems affect non-Hispanic Blacks in their work and retirement decisions, but sociodemographic variables do not.
- ▶ Hispanics are less likely than non-Hispanic whites to respond to most sociodemographic and mental health influences on work and retirement decisions.
- ▶ The overall results suggest that Hispanics and non-Hispanic Blacks may not be making optimal retirement decisions given their socioeconomic and health conditions. Raising financial literacy levels could help improve their work and retirement decision-making.

## SSA program knowledge

### Racial and Ethnic Disparities in Knowledge about Social Security Programs

David Knapp, Francisco Perez-Arce; WP 2022-449, [UM22-14](#)

- ▶ There are significant racial/ethnic disparities in knowledge about Social Security programs: Black and Hispanic respondents typically score 8% to 14% lower on knowledge tests of Social Security program eligibility and benefits compared to white respondents.
- ▶ Differences in Social Security knowledge across racial and ethnic groups are not explained by group differences in income, wealth, employment history, or educational

levels.

- ▶ Black and Hispanic respondents are more likely than white respondents to express confidence that they understand Social Security, which might indicate it is more common that people in these groups “do not know that they don’t know” about how Social Security works. This result might stem from differences in information sources or experiences with SSA programs.
- ▶ Sources of information about Social Security vary by race and ethnic groups: Black respondents are 25% more likely than white respondents to have no source of information on Social Security and Hispanic respondents are 15% more likely than white respondents to have no source of information.
- ▶ More sources of information about Social Security are associated with higher scores in knowledge tests: Approximately two additional sources of information are comparable to most racial/ethnic differences.
- ▶ Satisfaction with past claiming decisions is lower among nonwhite respondents and among those with lower Social Security knowledge.
- ▶ Whether disparities in knowledge translate into differences in actual decisions remains unclear due to data limitations: Understanding the causal mechanism requires an experiment.

Other points of possible interest:

- ▶ There exist similar or worse racial/ethnic discrepancies in financial literacy: Less Social Security knowledge may reflect broader informational challenges related to personal finance and retirement.
- ▶ Black and Hispanic respondents are significantly less likely than white respondents to report friends and family as a source of information.
- ▶ Black and Hispanic respondents report 22% and 21% fewer sources of information, respectively.
- ▶ Black and Hispanic respondents report seeking information about Social Security from Social Security 11% and 15% less than white respondents. ❖

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