

When you claim social security influences whether your spouse enters poverty in widowhood

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A recent study from North Carolina State University finds that when the primary wage earner in a marriage claims Social Security can significantly affect whether that person's spouse becomes impoverished in later life.

To understand the work, it's important to understand the basics of how Social Security works. Social Security provides workers with a fixed monthly income when they reach retirement age, and workers get to choose when to begin receiving their Social Security payments after age 62. The earlier a worker claims Social Security, the lower the monthly payment. And spouses of primary earners are eligible to keep receiving their partner's Social Security payments as a "survivor benefit" when the primary earner dies.

"We wanted to see what effect Social Security claim age has on spouses in widowhood," says Jeffrey Diebold, an assistant professor of public administration at NC State and lead author of a paper on the work. "Specifically, in cases where husbands are the primary earners, does claiming Social Security earlier put wives at risk of poverty if they become widows? And the answer was yes."

This is an important issue, because 43 percent of Social Security beneficiaries who live in poverty are widows. Currently, more than 20 percent of widows rely on Social Security for all of their income; and Social Security makes up 80 percent of total income for more than 40 percent of widows.

For the study, researchers looked at a data on 197 widows that was collected as part of the nationally representative Health and Retirement Study.

The researchers found that, on average, annual survivor benefits increased by \$660 for each year that a primary earner delayed claiming Social Security after age 62. So, if the primary earner – the husbands, in this case – delayed claiming Social Security until age 70, he would increase his widow's annual benefit by \$5,300.

"By waiting to claim Social Security from age 62 to age 63, husbands

reduced the likelihood of their wives entering poverty by six percentage points," Diebold says. "This change represented a reduction in the risk of poverty of more than 50 percent for the average widow in the sample.

This risk reduction gets smaller with each additional year of delay, but – on average – "by waiting until [age 65](#) to claim Social Security, husbands improved their survivor benefits enough to keep their widows out of poverty," Diebold says.

The effects of delaying Social Security claims were moderated by the extent to which widows were reliant on Social Security. In other words, women who had their own sources of income were less subject to [poverty](#) based on the size of their survivor benefit.

"This is something workers should think about when deciding when to claim Social Security," Diebold says.

More information: JEFFREY DIEBOLD et al. Early claiming of higher-earning husbands, the survivor benefit, and the incidence of poverty among recent widows, *Journal of Pension Economics and Finance* (2016). [DOI: 10.1017/S1474747215000438](https://doi.org/10.1017/S1474747215000438)

Provided by North Carolina State University

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