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HEALTH

Income Inequality Grows With Age and Shapes Later Years

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Paula Span

THE NEW OLD AGE

A tale of two seniors:

Susan McNeely left college after a year to marry and have children. She worked all her life — as a waitress, school bus driver, commercial fisherwoman, bank teller, property manager — but “it was a struggle, hand-to-mouth all the time,” she said.

Now 67, divorced and living in Proctorsville, Vt., she burned through her savings when the recession doomed a bar and restaurant she had opened nearby. Emphysema has left her reliant on supplemental oxygen around the clock.

A small Social Security check, state heating assistance and \$183 a month in food stamps represent her only income. Life might be easier if Mrs. McNeely moved to Connecticut, near her daughter, but she can’t afford rents

there. Still, with help from friends, she gardens, joins book groups and patronizes \$5 movies. Decades of living on a low income have probably helped, she said, because “I know how to stretch a dollar.”

Carol Rosen also grew up in a frugal household, but earned a college degree, married a surgeon, and worked as a designer of museum exhibitions and as a volunteer. She inherited money from her mother and later from her husband, who died two years ago. Now 81 and recovering from that loss, she lives in affluent Mountain Lakes, N.J., walks 45 minutes a day, enjoys concerts in New York City and plans vacations that involve hiking and camping.

Mrs. Rosen recognizes that she has been fortunate. “I can go out to dinner and maintain my Philharmonic tickets and go to Belize,” where she canoed and stayed (alone) in a thatched hut last winter. Her mother and other relatives lived into their 90s, and Mrs. Rosen, who has survived breast cancer, hopes she can, too, “because there’s still a lot I’d like to do.”

Old people contend with lots of common ordeals: struggles with health and mobility, thinning social networks, dismissal by a youth-besotted culture.

“But people face these challenges on an uneven playing field,” said Corey Abramson, a sociologist at the University of Arizona. “The inequality that shapes our lives from birth onward doesn’t end with the first Social Security check.”

Socioeconomic inequality, he noted, helps determine who gets to grow old.

Dr. Abramson’s book “The End Game: How Inequality Shapes Our Final Years,” and a report from the National Academy of Sciences last month on the growing life expectancy gap, underscore the effect of income and education on old age.

Ronald Lee, a demographer at the University of California, Berkeley, and

a co-chairman of the committee that studied the gap, told me he was staggered by its findings.

Dividing the population into lifetime earning levels, the committee found that men born in 1930 who reached age 50 had a life expectancy of another 26.6 years if they were in the lowest income bracket and 31.7 years in the highest bracket. But projections for men born in 1960 showed no improvement for the lowest earners — and an additional seven years for the highest. In three decades, the life expectancy gap had widened from about five years to more than 12 — “shockingly large,” Dr. Lee said.

The longevity gains we’ve all heard (and written) so much about, in other words, are going to the men atop the economic ladder.

And, even more strikingly, to the women at the top. Lower-earning women actually have declining life expectancies in simulations that compared the 1960 cohort with those born in 1930. “That’s largely explained by differences in starting and quitting smoking,” Dr. Lee said. But those in the top earnings bracket who reach 50 can now expect, on average, another 41.9 years. The gap by income has surged from four years to more than 13.

Those widening gaps mean that the rich get richer when it comes to federal benefits — Social Security, Medicare and Medicaid. In the 1930 birth cohort, lifetime benefits for low- and high-earning men were about the same. Among those born in 1960, however, men in the highest earning bracket will receive \$132,000 more on average than those in the lowest; the highest-earning women will receive \$28,000 more.

“The increasing gap in life expectancy means even more inequality over a lifetime,” said Peter Orszag, co-chairman of the committee and former director of the federal Office of Management and Budget.

In an ethnographic study conducted over several years, Dr. Abramson saw how inequality played out in daily life as he visited senior centers, senior

housing and nursing homes in middle-class and poor neighborhoods in the Bay Area in California, observing and interviewing (and occasionally driving someone to a doctor's appointment). "It structures people's lives in profound ways," he said.

Middle-class neighborhoods, for instance, had more transportation options, more and better-funded volunteer and social service organizations, more markets within walking distance, better hospitals.

Subsidized senior housing in those areas resembled upscale condominiums. In poor neighborhoods, "it looked much like the stereotype of housing projects," Dr. Abramson said. "The physical environment, everything from sidewalks to housing, tended to be more poorly maintained." Higher crime rates made aging adults fearful about venturing out.

Health care varies, too. The fact that virtually all older Americans rely on Medicare or Medicaid, or both, hardly erases the cumulative effects of a lifetime of unequal access.

Carol Rosen has never lacked health insurance, for example, and buys supplemental insurance to cover much of what Medicare doesn't. Susan McNeely can't afford the premiums for a Medigap policy. After spending a week in the hospital with worsening emphysema last spring, she's still "sporadically" paying noncovered medical bills. She skimps on dental care, too, because Medicare doesn't cover it.

Inequality affects even the benefits of social networks. "I've lost quite a few people who were very important to me, and those that are left spend a lot of time in Florida," Mrs. Rosen said. She's looking forward to volunteering for Democratic candidates next year, a source of not only psychic rewards but social connections.

Almost every older person attends too many funerals. But Mrs. McNeely relies on good friends and neighbors for many kinds of direct assistance: snow

shoveling, pharmacy runs, care when she's sick. "I wouldn't be able to do what I do without them," she said. People with more money miss lost friends, but they can also hire help.

Such inequality in life spans, in physical environments, in health care and in public benefits means that policy makers and legislators, who are often enthusiastic about cutting "entitlement programs," should proceed cautiously, the National Academy committee chairmen warned.

Their report analyzed several proposed reforms, including raising the age at which people can draw on Social Security, reducing cost-of-living increases and increasing the eligibility age for Medicare. Some tactics would only slightly narrow the gap between high and low earners; others would actually worsen inequality.

"Any policy argument based on an average is going to be misleading; it ignores that the average masks very different trends," Dr. Orszag said.

Inequality at older ages, moreover, offers a powerful case for cross-generational responses. Generational conflict — older voters opposing school bonds, younger workers chafing at Social Security taxes — has never made much sense, given that the young, if they're lucky, eventually become the old.

"If we fail to invest at younger ages, the impact can show up at older ages," Dr. Orszag said, arguing for an all-in-it-together approach. "There are lots of opportunities for expanding access to health care and education for younger people, and that has lifelong effects."

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