
The link between wealth, education and longevity

By Editorial Staff Thu, Apr 20, 2017

'All socioeconomic groups are living longer, but the gains are greater for the most educated,' according to a recent paper from the Center for Retirement Research at Boston College.

Two research papers released this month cite statistical evidence that wealthier, better-educated Americans can expect to live longer than poorer Americans and, as a result, can expect to collect significantly more benefits from social welfare programs like Medicare and Social Security.

The research is expected to inform the anticipated political debate over proposals to reform or refinance federal programs for the elderly. The retirement of the Babyboomer generation is expected to put unprecedented pressure on the solvency of those programs over the next few decades.

The authors of both studies point out that proposals to reduce the cost of Social Security by raising the full retirement age “are motivated by the rise in mean life expectancy.” They caution, however, that the average life expectancy “masks substantial differences in mortality changes across income groups.”

One of the papers, from the National Bureau of Economic Research, asserts that the longevity gap between rich and poor widened between 1930 and 1960. The life expectancy advantage of the 20% highest over the 20% lowest earners was just five years for men born in 1930. But it was almost 13 years for men born in 1960.

Because their lifespans of the wealthiest men born in 1960 are projected to be almost eight years longer, they can expect to receive an average of about \$130,000 more in Medicare and Social Security benefits than the lowest-earning men over their lifetimes, the research showed.

The NBER paper, “How the Growing Gap in Life Expectancy May Affect Retirement Benefits and Reforms,” was written by well-known retirement researchers Alan Auerbach, William Gale, Peter R. Orszag, Justin Wolfer and nine other economists from the Brookings Institution, the University of Southern California, the University of California-Berkeley, the University of Chicago and other institutions.

A second paper, from the Center for Retirement Research at Boston College, focuses on the

link between educational levels and expected lifespans among American men and women. It also focuses on life expectancy at age 65 rather than on life expectancies at birth.

“Between 1979 and 2011, period life expectancy at age 65 for men in the lowest to the highest educational quartiles increased by 4.1, 5.0, 5.4 and 5.9 years, respectively.” For women, the gains were at 1.3, 2.3, 2.5 and 3.7 years, respectively. “All SES groups are living longer, but the gains are greater for the most educated,” the paper said.

The study, like earlier studies by others, found that “white men in the bottom half of the education distribution aged 45-54 saw their mortality rates increase at a rate of 0.5% annually between 1999 and 2011, with a larger increase of 2.0% per year for women aged 45 to 54.”

The CRR paper, “Rising Inequality in Life Expectancy by Socioeconomic Status,” was written by Geoffrey T. Sanzenbacher and Natalia S. Orlova of the CRR, Candace C. Cosgrove of the U.S. Census Bureau and Anthony Webb of the Retirement Equity Lab at The New School’s Schwartz Center for Economic Policy Analysis.

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