TIAA Institute

Trends and Issues
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The impact of spousal Social Security claiming decisions on the financial shock of widowhood

Motivation and background

Claiming Social Security early results in an actuarially reduced monthly benefit during the beneficiary's lifetime. A primary earner who claims benefits early also leaves their spouse with a lower survivor benefit. These reduced survivor benefits likely coincide with the loss of other streams of income for the secondary earner (for example, the primary earner's labor earnings or pension). Thus, a primary earner's decision to claim Social Security early may compound the impact their death will have on the secondary earner's risk of poverty. This research uses panel data from the Health and Retirement Study (HRS) to investigate the extent to which Social Security claiming decisions by husbands (typically primary earners) moderate the financial impact of widowhood on their wives (typically secondary earners). This issue is important because widowed women face a relatively high risk of poverty during old age. In 2021, the poverty rate among widowed women age 65 and older was 15.5%, compared to 10.3% for all individuals 65 and older (Dalaker & Li, 2022).

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Social Security benefit rules

Social Security benefit rules determine the interaction between a husband's claiming age and the wife's survivor benefit. Social Security benefits for retired workers are based on the highest 35 years of earnings, indexed for economy-wide wage growth. A progressive formula is applied to this average, resulting in a value known as the primary insurance amount (PIA). The PIA is the monthly benefit payable if benefits are claimed at full retirement age (FRA), which has ranged from 65 to 67 depending on birth cohort. However, benefits can be claimed as early as age 62 or as late as age 70. Claiming before FRA results in an actuarial reduction in benefits. Table 1 shows the actuarially adjusted benefit at various claiming ages—as a percent of PIA—for a person born in 1960 or later.

Primary earners typically claim retired worker benefits as determined by the formula described above. Secondary earners with significant earnings may receive similarly calculated worker benefits. However, they may alternatively receive a spousal benefit—equal to half the primary earner's PIA—if that is higher. When one spouse dies, the widow receives the higher of 1) their own Social Security benefit or 2) a survivor benefit equal to the deceased spouse's benefit. It's generally in the interest of secondary earners to begin receiving a survivor benefit after widowhood. (Primary earners, on the other hand, generally continue to receive their own benefit.) Because the survivor benefit is equal to the deceased spouse's actual benefit, it includes any actuarial adjustments based on that spouse's claiming age. There is, however, one exception to this rule: The widow always receives a benefit that's greater than or equal to 82.5% of the deceased spouse's PIA (see Weaver 2001 for a detailed discussion). The second column of Table 1 shows the survivor benefit the secondary earner would receive at alternative claiming ages for the primary earner.

Social Security rules are gender neutral. However, especially for the birth cohorts studied in this research, husbands are typically primary earners and wives are typically secondary earners. Thus, I use "husband" interchangeably with "primary earner" (and "wife" interchangeably with "secondary earner").

Stylized example

To see more clearly how a husband's claiming decision affects his wife's post-widowhood income, consider a husband and wife who are both born in 1960 or later (and therefore have an FRA of 67). Suppose the husband has a PIA of $1,500, representing the amount he would receive if he claimed benefits at his FRA of 67. Alternatively, if the husband were to delay to age 70, he would receive a monthly payment of $1,860 (124% of his PIA). If he were to claim at the age of 65—before FRA—he would receive a monthly benefit of $1,300. Suppose further that the wife receives a spousal benefit of $750 per month—half the husband's PIA—while the husband is alive. For simplicity, I assume the couple has no other sources of retirement income besides Social Security. The first three columns of Table 2 show the monthly benefit amounts received by each member of the couple, and the household overall, for these alternative claiming ages. The fourth column shows the couple's pre-widowhood annual income (the amount in the third column multiplied by 12). If the wife is widowed, she receives a monthly survivor benefit equal to the maximum of her deceased husband's monthly benefit and 82.5% of her deceased husband's PIA. (She also gives up her spousal benefit.) The final column of the table shows the wife's annual income after widowhood.

For all claiming ages of 65 and older, annual income declines by $9,000 upon widowhood. This amount represents the wife's annual spousal benefit ($750 x 12). Within this age range, the husband's claiming age doesn't affect the absolute change in income associated with widowhood. For claiming ages below 65, annual income declines by a smaller amount because the survivor benefit must be at least 82.5% of the husband's PIA. However, early claiming increases the risk that the widow's income falls below any given threshold, including the poverty line. The 2025 federal poverty line (FPL) is $21,150 for a two-person household and $15,650 for a one-person household. The guideline accounts for both the lower cost of living for one-person households compared with two-person households, as well as the economies of scale experienced by two-person households compared with one-person households. The hypothetical couple in Table 2 is always above the two-person FPL. However, a widow whose deceased spouse claimed before age 66 falls below the one-person poverty line. If the poverty line were not lower for a one-person household, then the widow would fall below it unless the deceased husband claimed at age 70.

Thus, delayed claiming by primary earners results in higher Social Security income for widowed secondary earners, potentially mitigating the financial impact of widowhood and requiring less of an adjustment along other margins such as labor supply, receipt of means-tested benefits, or wealth decumulation. Prior research suggests, however, that husbands may not take this link into account when deciding when to claim benefits (Henriques, 2018; Sass, Sun, & Webb, 2007, 2013; Munnell & Soto, 2005).

Data and key findings

Data

This research uses data from the Health and Retirement Study (HRS) to investigate whether husbands' claiming ages moderate the impact of widowhood on their wives. The HRS is a rich and detailed panel survey intended to be representative of the U.S. population age 51 and older and their spouses (HRS 2025). The survey has been conducted in even years since 1992, and the most recent wave used in this analysis is 2022. New cohorts are added at regular intervals to keep the sample representative of the target population. I restrict the sample to women married to men during their first wave in the sample. I also drop women whose first-wave husbands were born before 1920 or after 1955. Individuals born in 1955 turn 67 in 2022, an age by which most eligible people have claimed Social Security. Thus, this restriction allows me to observe the claiming ages of most eligible husbands. For the same reason, I drop women who leave the sample before their first-wave husbands turn 67.

I use event study models to estimate changes in poverty risk around widowhood, allowing the impact of widowhood to vary with the Social Security claiming age of the deceased husband. Poverty is measured based on the couple's or widow's maximum sustainable annual consumption.[1] I estimate this value by adding total household income to a measure of the annuity value of household wealth. Total household income includes Social Security OASI and disability benefits, earnings from work, pension and annuity income, government benefits other than Social Security (such as unemployment benefits or SSI), and capital income. I construct a measure of household wealth that includes non-housing and non-retirement financial wealth, wealth held in individual retirement accounts (IRAs), and wealth held in any defined contribution plans offered by the respondent's and spouse's current employers. I construct indicators for whether the household's maximum sustainable consumption is below 100%, 150%, or 200% of the 2022 FPL ($13,590 for singles and $18,310 for couples), as well as indicators for whether the household's income falls below the 5th, 10th, and 15th percentiles of the distribution of pre-widowhood sustainable consumption ($19,108, $27,605, and $35,238, respectively).

Findings

Figure 1 plots income from Social Security retirement and survivor benefits for the wife, the husband, and the household broken down by whether the husband claimed before FRA and the number of waves since widowhood. (This figure only includes women who experience widowhood.) The figures are consistent with Social Security benefit rules. Upon widowhood, the wife's Social Security income increases as she switches to a survivor benefit. However, this increase is smaller for wives whose husbands claim early. The husband's Social Security income is higher for delayers than for early claimers, but it declines to (roughly) zero for both groups following widowhood. Overall, household Social Security income declines upon widowhood. Because early claiming by the husband lowers both pre- and post-widowhood Social Security income by the same dollar amount, there's no clear interaction between widowhood and the husband's early claiming. On the other hand, wives whose husbands claimed early have lower household Social Security benefits both before and after widowhood, potentially increasing the risk of falling below any given threshold. The lower-right panel of the figure shows that maximum sustainable consumption declines for both groups after widowhood. The decline is greater for the widows of delayers (relative to a higher pre-widowhood level). However, this change in average potential consumption doesn't capture the risk of poverty, which is driven by the lower tail of the distribution.

The left panels of Figure 2 show how the probability of falling below 100%, 150%, and 200% of the FPL varies around widowhood for women whose husbands claimed at FRA. These results are based on an event study model. Each coefficient represents the impact of widowhood at the relative time shown on the horizontal axis, and the bars represent 95% confidence intervals. The right panels show the additional impact of a one-year claiming delay by the husband on each measure. Figure 2 depicts the impact of widowhood on the poverty measures based on the FPL.[2] Figure 3 depicts analogous estimates for the probability of falling below the 5th, 10th, and 15th percentiles of the pre-widowhood income distribution.

Overall, these event study results confirm there's an increase in the probability of falling below any given poverty measure following widowhood. Delayed claiming by the husband moderates this impact for several poverty measures, particularly those in Figure 4. For example, in the wave of widowhood, the probability of having sustainable

1 Throughout the analysis, all monetary amounts are expressed in 2022 dollars using the Bureau of Labor Statistics' Consumer Price Index for all Urban Consumers Research Series (CPI-U-RS).

2 These estimates are derived from event study regressions that include controls for wife's age, difference between husband's age and FRA, individual fixed effects, and wave dummies. I also control for interactions between the event time dummies and demographics, education, and husband's PIA relative to the mean PIA. I account for staggered treatment—the fact that widowhood occurs in different waves for different women—using the imputation approach described in Gardner et al. (2025).

consumption below the fifth percentile of the pre-widowhood distribution rises by 5.8 percentage points (a more than 100% increase relative to the mean poverty rate in the sample). That increase is 1.4 percentage points smaller for each year of delay by the husband. Delayed claiming also attenuates the impact of widowhood on this measure in the second wave (two to four years) after widowhood. The interaction between delayed claiming and widowhood is statistically significant for several of the other poverty measures in the second and third post-widowhood waves (four to six years later). The indicator for being below 200% of the FPL shows possible signs of anticipation in the pre-widowhood wave.

Implications

Overall, these results suggest delayed claiming by husbands (or primary earners more generally) can mitigate the financial shock of widowhood for wives (or secondary earners more generally). Event study estimates suggest the probability of falling below a range of poverty thresholds generally increases upon widowhood. For many poverty measures, however, that impact is attenuated when the husband delayed claiming Social Security. Thus, a primary earner's claiming decision has spillover effects for the secondary earner.

These results are relevant for policy makers, financial planners, and individuals planning for retirement, particularly given the higher poverty rate among widows compared to the general older population.

The results also have implications for the retirement earnings test, which forces Social Security beneficiaries between 62 and FRA who continue to work to defer a portion (up to 100%) of their benefits until FRA. Although affected individuals receive a generous actuarial adjustment on these deferred benefits, the earnings test is poorly understood, and recipients appear to respond to it as though it were a tax on earnings. Prior studies have established that policies that loosen the earnings test, incentivize both early claiming and higher earnings (e.g., Song & Manchester, 2007; Gruber & Orszag, 2003). The results from this analysis suggest that changes to the earnings test could have spillover effects for widows. To be more specific, if such changes lead to earlier claiming by primary earners, and if households make no other adjustments, then secondary earners may face a higher risk of poverty during widowhood.

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TABLE 1. SOCIAL SECURITY BENEFIT BY CLAIMING AGE

Claiming age	Retired worker benefit (Percent of PIA)	Survivor benefit (Percent of PIA)
62	70.0%	82.5%
63	75.0%	82.5%
64	80.0%	82.5%
65	86.7%	86.7%
66	93.3%	93.3%
67	100.0%	100.0%
68	108.0%	108.0%
69	116.0%	116.0%
70	124.0%	124.0%

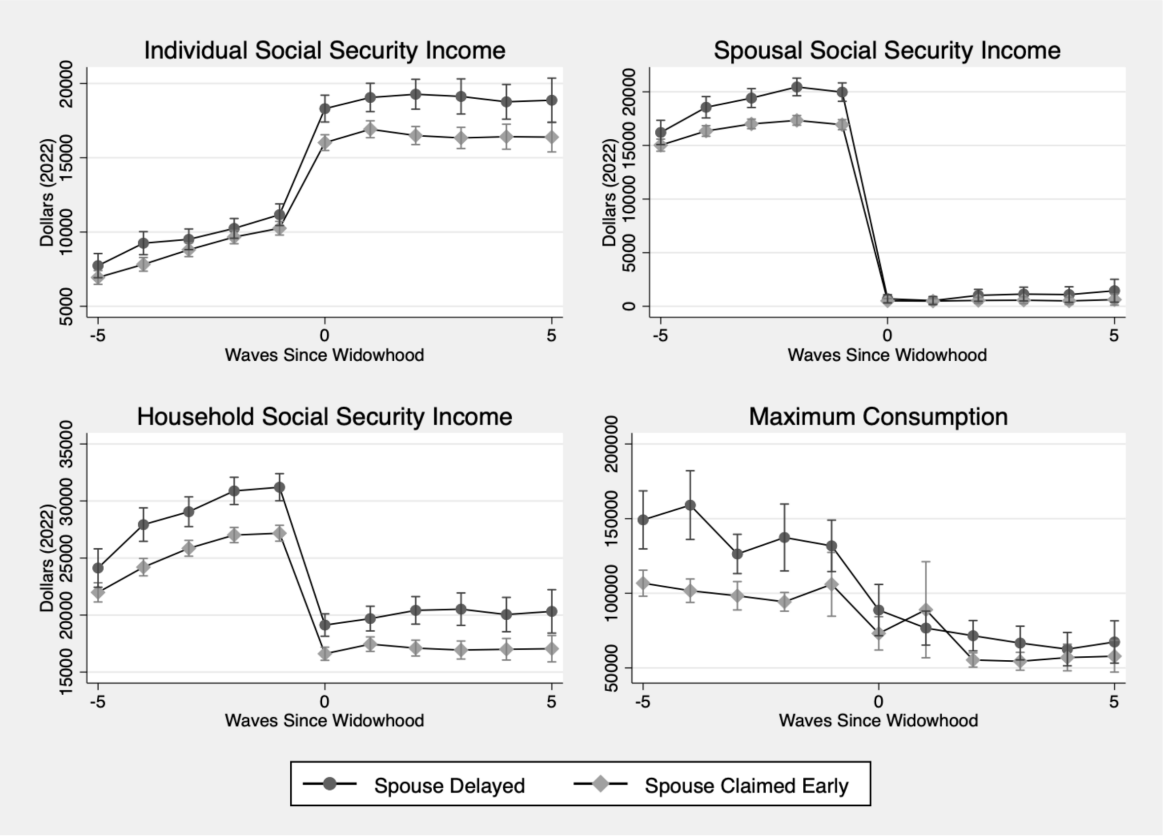
Notes: Table shows percent of primary earner's Primary Insurance Amount (PIA) payable as retired worker benefit and survivor benefit at alternative claiming ages. Percentages based on Weaver (2001) and https://www.ssa.gov/oact/quickcalc/early_late.html.

TABLE 2. MONTHLY SOCIAL SECURITY BENEFIT AND ANNUAL INCOME FOR STYLIZED HOUSEHOLD

	Monthly benefit			Annual income	
Husband's claiming age	Husband	Wife	Household	Pre-widowhood	Post-widowhood
62	$1,050	$750	$1,800	$21,600	$14,850
63	$1,125	$750	$1,875	$22,500	$14,850
64	$1,200	$750	$1,950	$23,400	$14,850
65	$1,300	$750	$2,050	$24,600	$15,600
66	$1,400	$750	$2,150	$25,800	$16,800
67	$1,500	$750	$2,250	$27,000	$18,000
68	$1,620	$750	$2,370	$28,440	$19,440
69	$1,740	$750	$2,490	$29,880	$20,880
70	$1,860	$750	$2,610	$31,320	$22,320

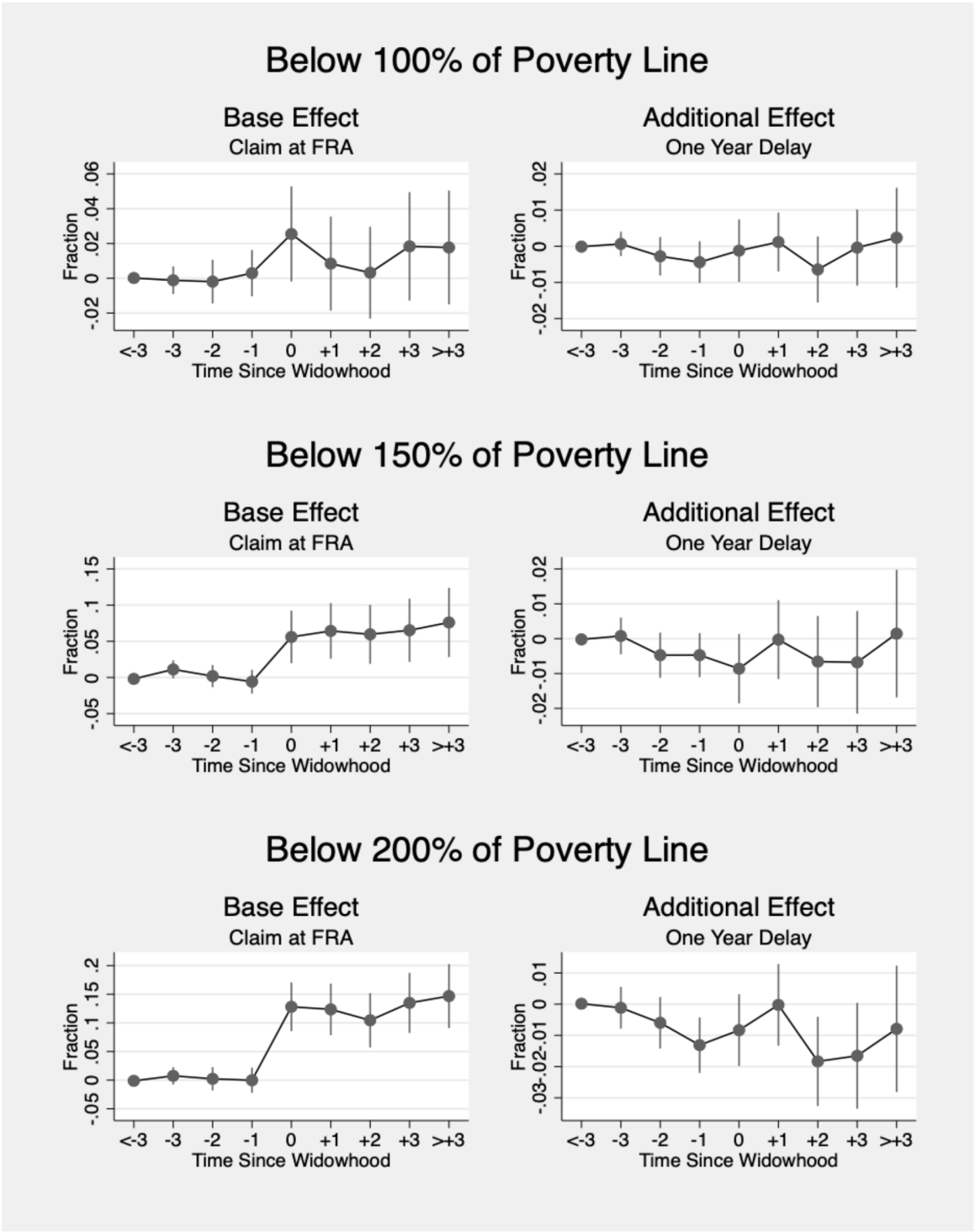
Notes: Table shows monthly benefit amounts and annual income based on stylized couple in text. Benefits calculated based on Weaver (2001) and https://www.ssa.gov/oact/quickcalc/early_late.html.

FIGURE 1. SOCIAL SECURITY AND TOTAL INCOME AROUND WIDOWHOOD



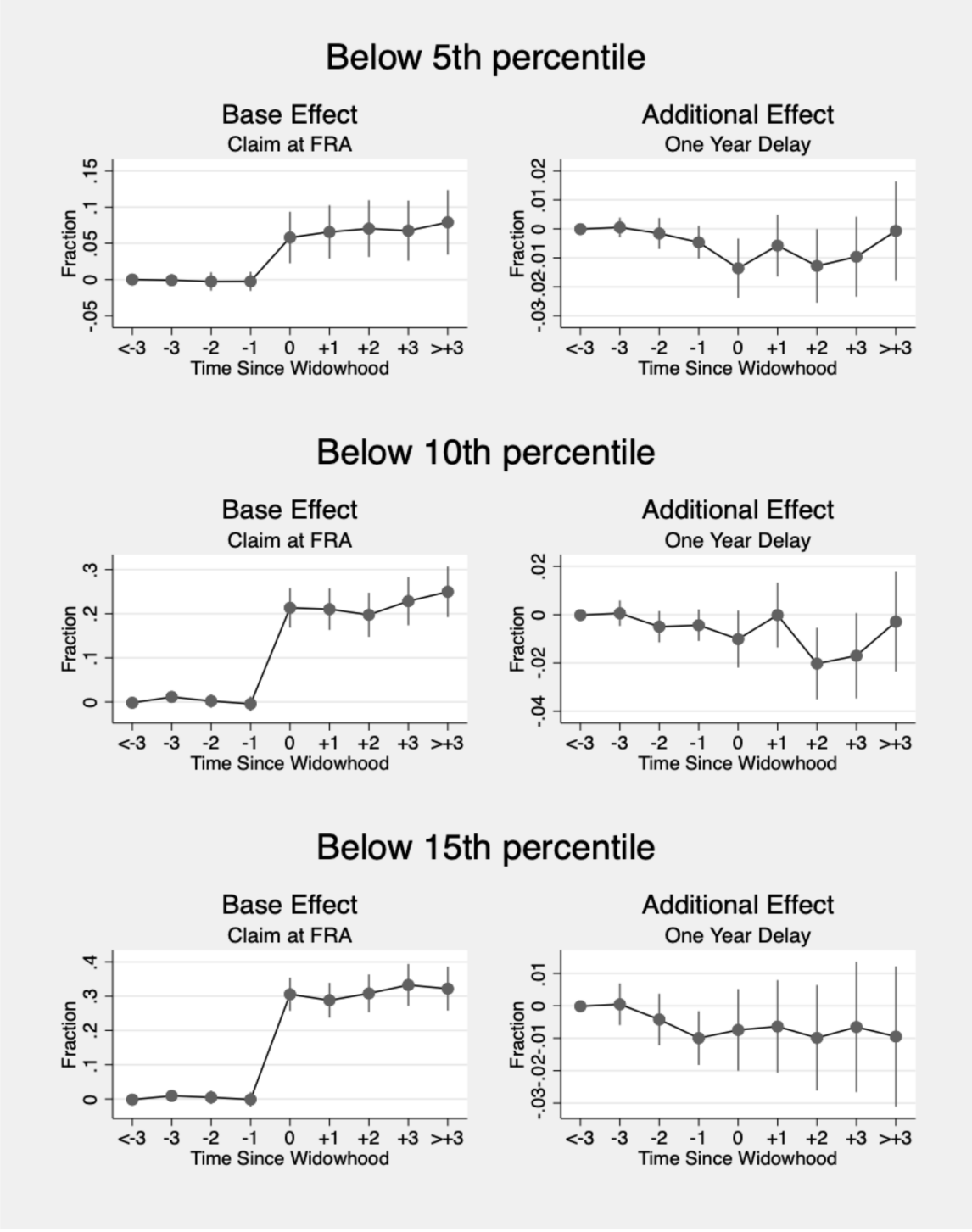
Notes: Author's calculations based on Health and Retirement Study (HRS) sample of women who experience widowhood described in text. Figures show sample mean of variable (with 95% confidence interval) by number of waves since widowhood.

FIGURE 2. IMPACT OF WIDOWHOOD ON FPL-BASED POVERTY MEASURES



Notes: Author's calculations based on Health and Retirement Study (HRS) sample of women described in text. Figures show estimates of event study coefficients with 95% confidence intervals (standard errors clustered by individual). All regressions include controls for wife's age, difference between husband's age and FRA, individual fixed effects, and wave dummies. Regressions also include interactions between event time dummies and demographics, education, and husband's PIA relative to the mean PIA. FRA = Full Retirement Age. FPL = Federal Poverty Line.

FIGURE 3. IMPACT OF WIDOWHOOD ON PROBABILITY OF LOW INCOME



Notes: Author's calculations based on Health and Retirement Study (HRS) sample of women described in text. Figures show estimates of event study coefficients with 95% confidence intervals (standard errors clustered by individual). All regressions include controls for wife's age, difference between husband's age and FRA, individual fixed effects, and wave dummies. Regressions also include interactions between event time dummies and demographics, education, and husband's PIA relative to the mean PIA. FRA = Full Retirement Age. FPL = Federal Poverty Line.

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