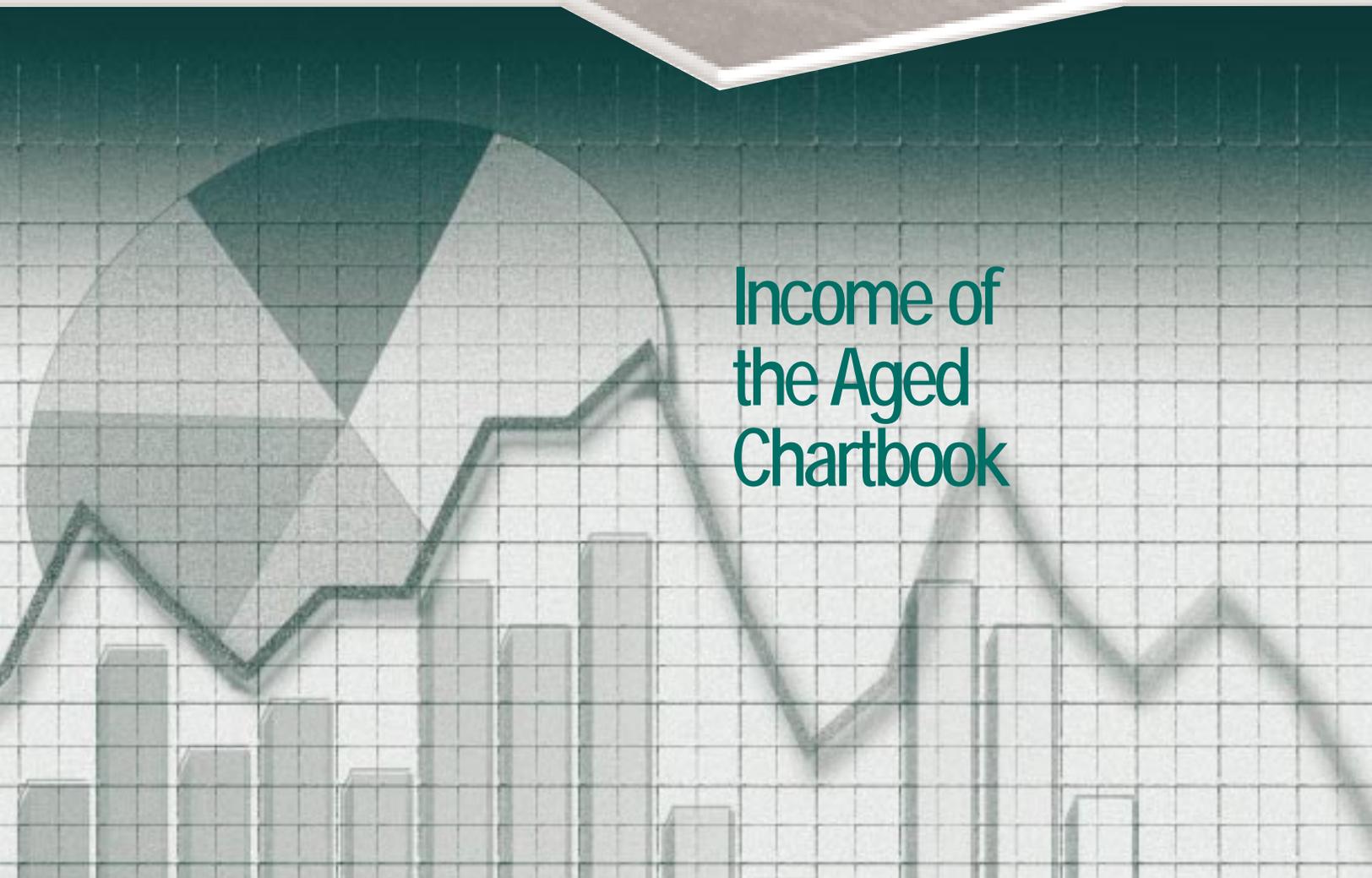


2000



Income of
the Aged
Chartbook



Income of the Aged Chartbook, 2000

Social Security Administration
Office of Policy
Office of Research, Evaluation, and Statistics

Preface

Since 1941, the Social Security Administration (SSA) has periodically surveyed the aged to determine their economic status. The first national survey was conducted in 1963. In 1976, SSA's Office of Research and Statistics began compiling a biennial series of reports on the income of the aged based on data collected by the U.S. Census Bureau in its Current Population Survey. These SSA reports are published under the title *Income of the Population 55 or Older*. The most recent edition of that publication is based on 2000 data, which, along with special tabulations, form the basis for this chartbook.

The unit of analysis here, with the exception of measures of poverty, is the "aged unit" and not the household, the family, or unrelated individuals, as are used by the Census Bureau. The aged unit is either a married couple living together, with husband or wife aged 65 or older (generally measured by the age of the husband), or a person 65 or older who does not live with a spouse. The unit of analysis for poverty is persons aged 65 or older.

The 2000 sample represented 10,300,000 couples and 14,930,000 single units. The single unit may be a widow(er), a divorced or separated person, a legally married person who does not live with a spouse, or a person who never married. This unit of analysis allows one to measure the economic status of the entire noninstitutionalized aged population separately from that of the family or household in which the unit may live.

Alexander Estrin and Melissa Koenig prepared this chartbook. For questions related to the content of the charts, please call 202-358-6219 or e-mail alexander.i.estrin@ssa.gov. The chartbook was edited by Celine Houget and designed by Emil Loomis, who also prepared the print version for publication. Laurie Brown prepared the Web versions.

This chartbook and its companion publication, *Income of the Population 55 or Older*, are available on our Web site at www.ssa.gov/policy. For additional copies, please telephone 202-358-6274 or e-mail ores.publications@ssa.gov.

Susan Grad
Acting Associate Commissioner
for Research, Evaluation, and Statistics
April 2002

Definitions and Notes

Income Sources

Retirement benefits include Social Security, other public sources such as Railroad Retirement and government employee pensions (military, federal, state, and local), and private pensions and annuities.

Social Security includes retired-worker benefits, dependents' or survivors' benefits, disability benefits, transitionally insured benefits, and special age-72 benefits.

Pensions include private pensions and annuities, government employment pensions, Railroad Retirement, and individual retirement account, Keogh, and 401(k) payments.

Income

Total money income is the sum of all income received by the aged unit before any deductions such as those for taxes, union dues, or Medicare premiums. Total money income does not reflect nonmoney transfers such as food stamps, health benefits, subsidized housing, payments in kind, or fringe benefits from one's employment.

Aggregate income is the sum of the total money income of all aged units in the population of interest. Several charts in this book present the shares of aggregate income attributable to specific sources, such as Social Security.

General Notes

All years are calendar years.

Nonmarried men and nonmarried women include persons who are separated or married but living apart from their spouse.

Persons of Hispanic origin may be of any race.

Percentages may not sum to 100 because of rounding.

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Income Sources

Social Security is a source of income for nearly all of the aged.

Social Security provides at least half of total income for a majority of beneficiaries.

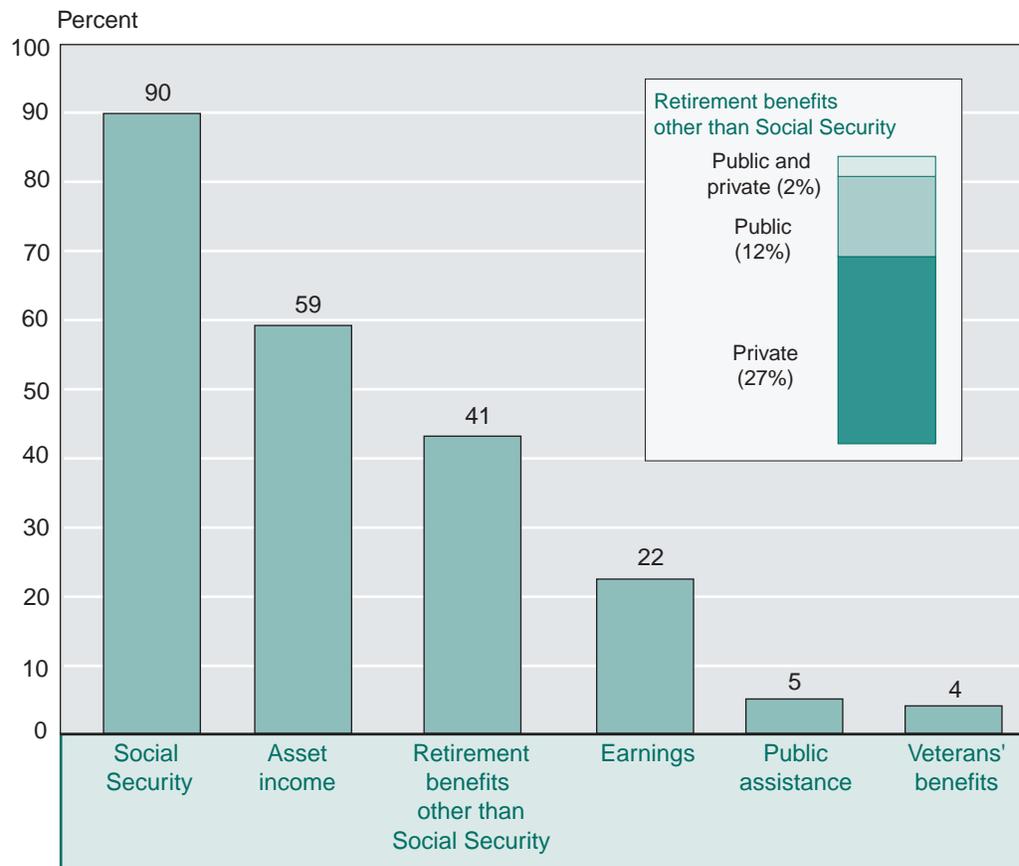
Age groups differ in their likelihood of receiving earnings, but not pensions.

Receipt of income from major sources varies by race and Hispanic origin.

Income Sources

Social Security is a source of income for nearly all of the aged. Nine out of 10 aged units receive Social Security benefits. Asset income is the next most common source of income, received by about three-fifths of the aged. Two-fifths receive retirement benefits other than Social Security, and only one-fifth have earnings. Public assistance is received by 5% and veterans' benefits by only 4%.

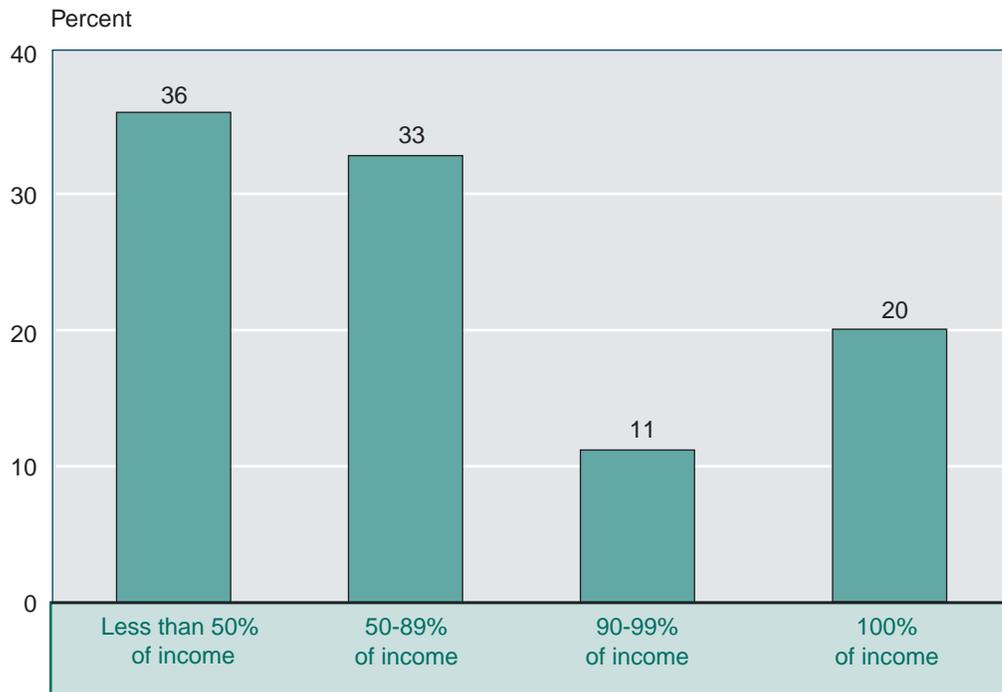
Percentage receiving income from specified source, 2000



Income Sources

Social Security provides at least half of total income for a majority of beneficiaries. Social Security pays benefits to 90% of those aged 65 or older. It is the major source of income (providing 50% or more of total income) for 64% of the beneficiaries. It contributes 90% or more of income for almost one-third of the beneficiaries and is the only source of income for 20% of them.

Percentage receiving Social Security benefits, by relative importance of benefits to total income, 2000



Income Sources

Aged groups differ in their likelihood of receiving earnings, but not pensions.

Earnings are much more common in the youngest group than in the oldest group—44% compared with 4%. Private pensions are about as common across age groups, except for the group aged 85 or older. In all age groups, there is little or no difference in the likelihood of having public pensions.

Percentage receiving income from earnings and pensions, by age, 2000

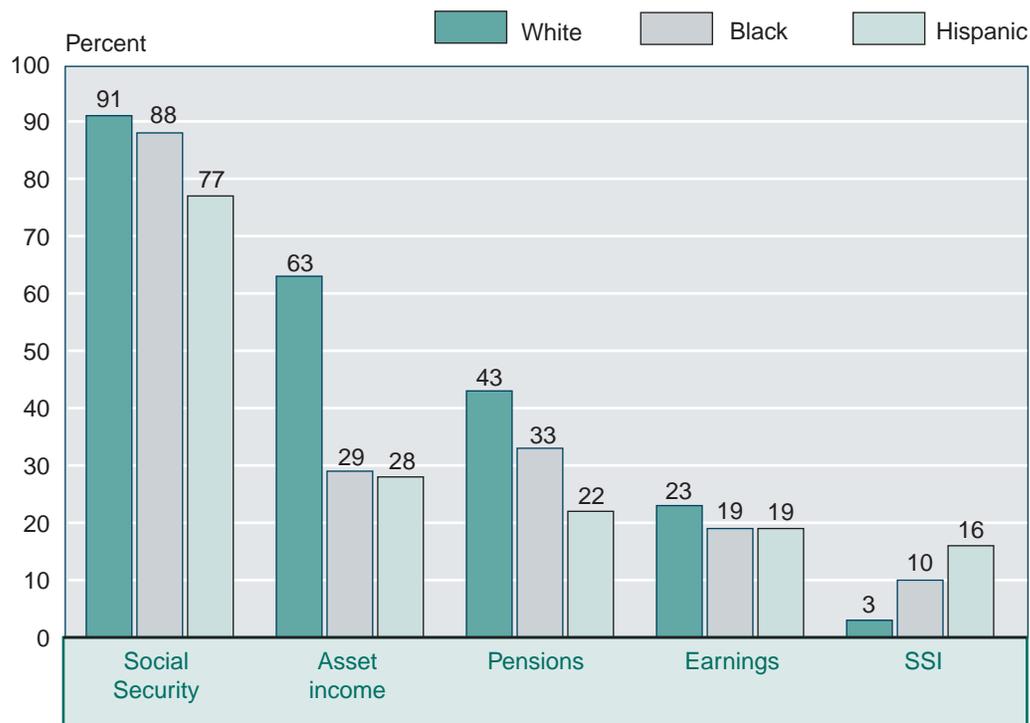


Income Sources

Receipt of income from major sources varies by race and Hispanic origin.

Among the aged, whites and blacks are somewhat more likely than Hispanics to receive Social Security. Whites are much more likely than blacks or Hispanics to receive income from assets and from pensions. The groups are about equally as likely to have earnings. Minority aged units are much more likely to receive Supplemental Security Income (SSI) than are whites.

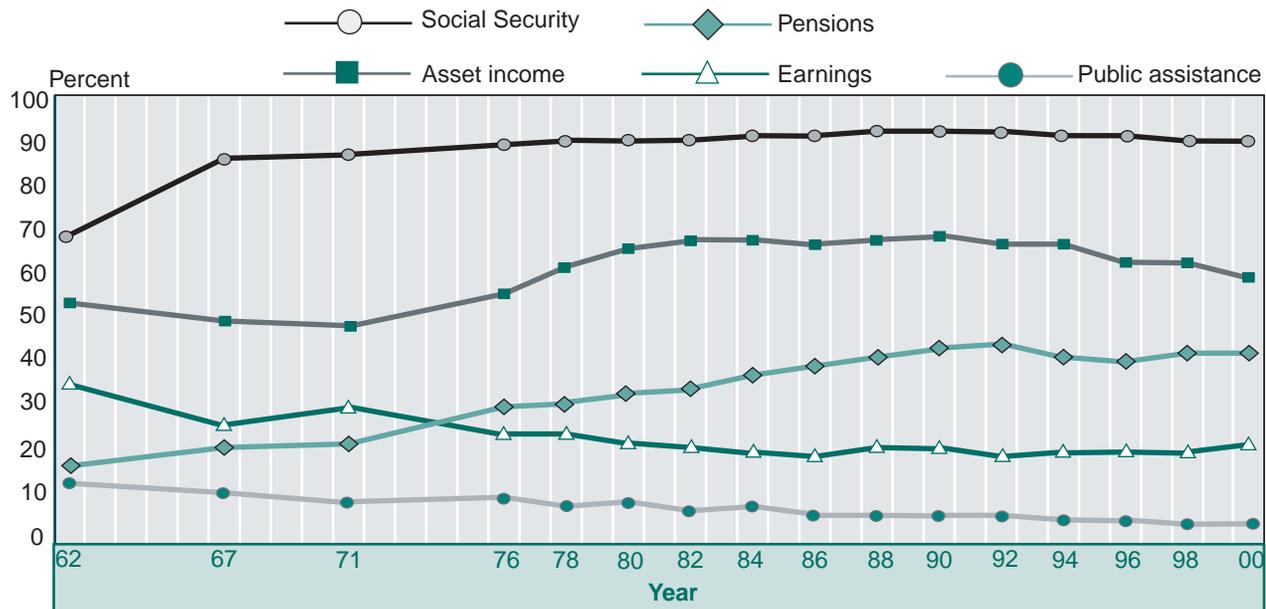
Percentage receiving income from major sources, by race and Hispanic origin, 2000



Income Sources

Receipt of Social Security has become nearly universal. In 1962, 69% of the aged received Social Security benefits; in 2000, 90% of them did. Most of that increase occurred in the 1960s. Receipt of other pension income, which more than doubled from 1962 to 1992, has decreased slightly since then. The proportion of aged units with asset income, which had been about two-thirds since 1980, has dropped since 1994. The proportion with earnings has declined since 1971 and has been about 21% since 1982. The proportion receiving public assistance has also declined and is now about a third of its 1962 level.

Change in percentage receiving income from major sources, selected years



Total Money Income

The aged are an economically diverse group.

Income differences by age are associated with differences in marital status.

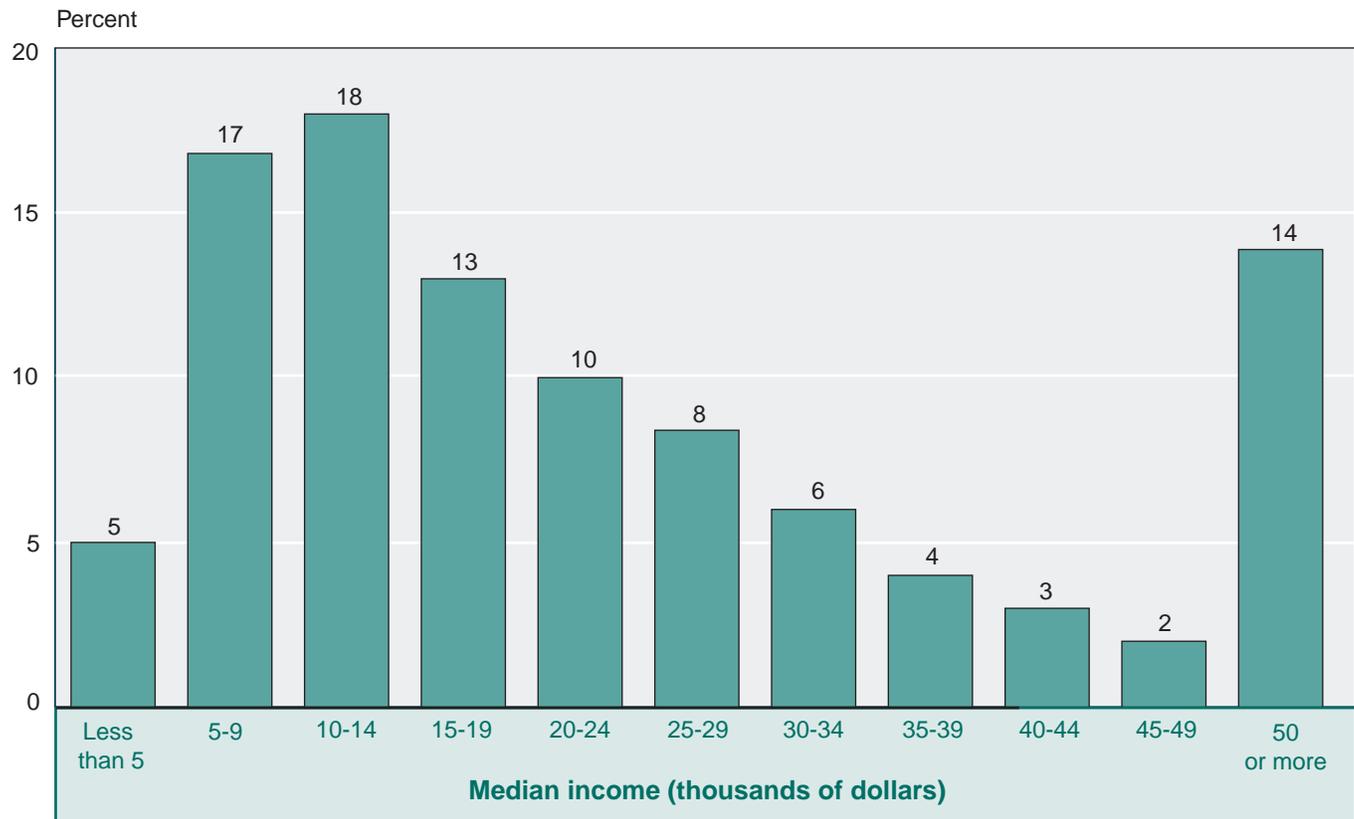
Demographic differences are associated with different levels of income.

Median real income has risen substantially over the years.

Total Money Income

The aged are an economically diverse group. Median income for all aged units is \$18,778, but there are wide differences within the total group. About 19% have an income of under \$9,000 (compared with the 2000 poverty threshold of \$8,259 for one person aged 65 or older), and 14% have an income of \$50,000 or more.

Percentage receiving income, by income level, 2000



Total Money Income

Receipt of asset income is associated with relatively high median income.

The median income of aged units with asset income is more than twice that of those with no asset income (\$25,974, compared with \$11,536). Aged units with no asset income are concentrated in the lowest income categories—41% have a total income below \$10,000, and only 11% have an income of \$30,000 or more. Among aged units with asset income, 10% have a total income of less than \$10,000, and 42% have an income of \$30,000 or more.

Percentage with various levels of income, by receipt of asset income, 2000



Total Money Income

Receipt of earnings and retirement benefits also affects total income. About 7% of aged units have no retirement benefits. Of those, 39% have earnings, and their median income is \$34,130; 61% have no earnings, and their median income is only \$549. In the absence of earnings, median income rises markedly with the number of retirement benefits received, from \$11,562 with one retirement benefit to \$24,611 with two. For units with both earnings and retirement benefits, median income is \$33,268 for those with one retirement benefit and \$44,980 for those with two.

Median income, by receipt of earnings and retirement benefits, 2000



Total Money Income

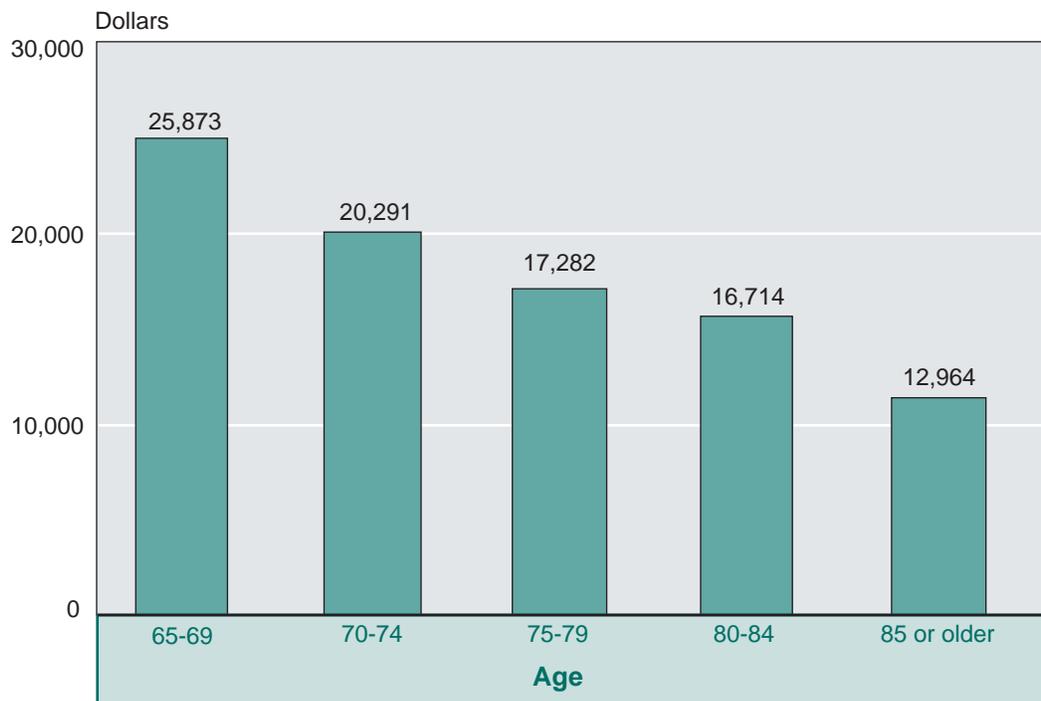
Income differences by age are associated with differences in marital status.

Median income is generally lower in older age groups. The striking differences by age are due in part to the disproportionate number of nonmarried women in older age groups. In every age group, nonmarried women have a lower median income than nonmarried men or married couples. Also, nonmarried women far outnumber the others in the older age groups.

Median income and percentage distribution of aged units, by age, marital status, and sex of nonmarried persons, 2000

Marital status and sex of nonmarried persons	65-69	70-74	75-79	80-84	85 or older
Median income (dollars)					
Married couples	36,948	32,012	27,723	27,206	24,779
Nonmarried men	19,128	14,678	15,715	16,247	13,764
Nonmarried women	13,415	12,269	12,020	12,335	10,910
Percentage distribution of aged units					
Total percent	100	100	100	100	100
Married couples	55	45	39	31	19
Nonmarried men	14	16	14	17	19
Nonmarried women	31	39	47	52	62
Total number of aged units (thousands)	6,508	6,154	5,689	3,841	3,038

Median income, by age, 2000

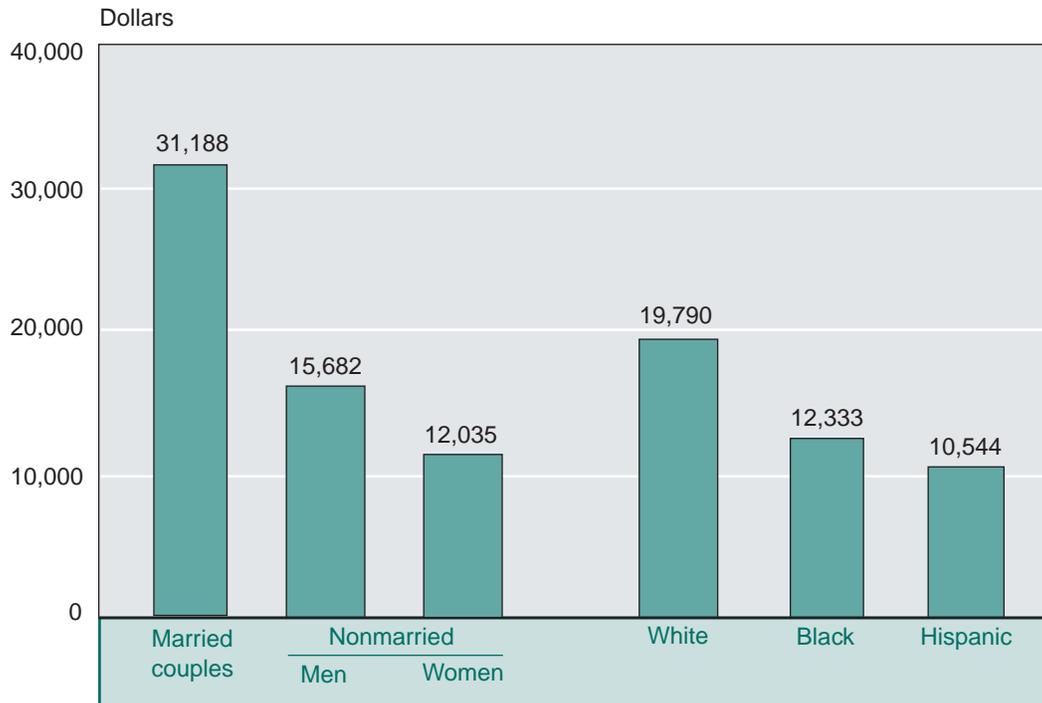


Total Money Income

Demographic differences are associated with different levels of median income.

Income is highest for married couples, who have a median income about twice that of nonmarried men and more than 2½ times that of nonmarried women. Whites have a median income 60% greater than that of blacks and almost 90% greater than that of Hispanics.

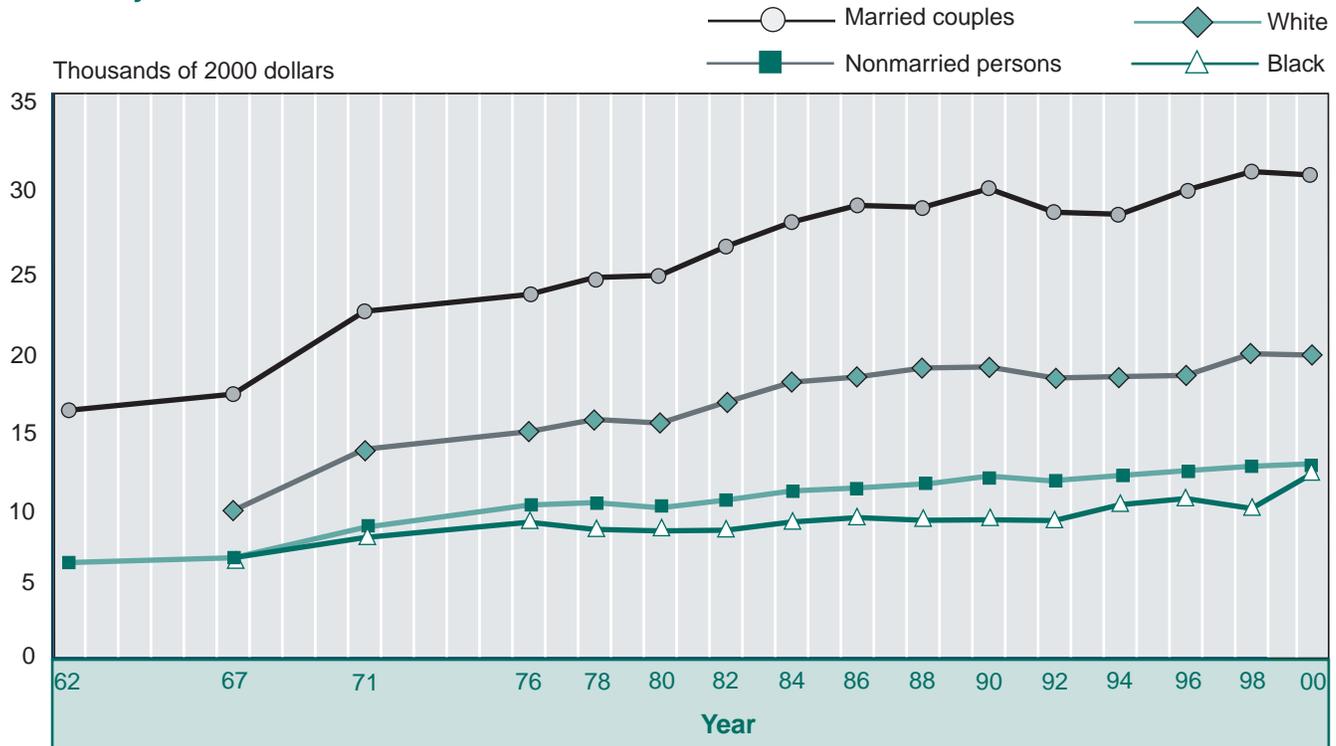
Median income, by marital status, sex of nonmarried persons, race, and Hispanic origin, 2000



Total Money Income

Median real income has risen substantially over the years. Between 1962 and 2000, the income of the aged increased even when adjusted for inflation. The increase was 91% for married couples and 98% for nonmarried persons. There were disproportionate increases by race. Between 1967 and 2000, the income of whites increased by 102%; that of blacks increased by 78%.

Change in median income, by marital status and race, selected years





Shares of Aggregate Income

Social Security provides the largest share of aggregate income for persons 65 or older.

Shares of income from each source differ greatly by income level.

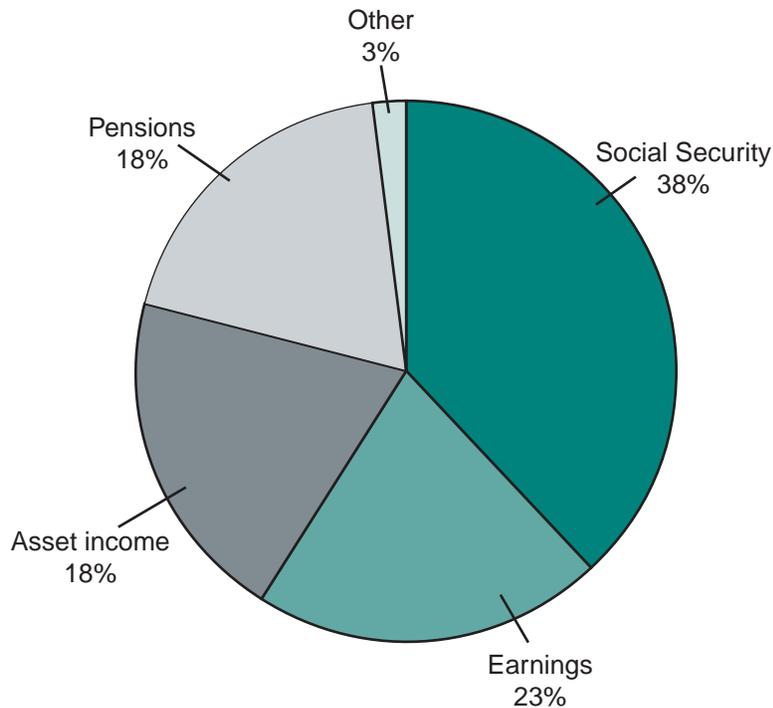
Over time, Social Security has provided the largest share of aggregate income for the aged.



Shares of Aggregate Income

Social Security provides the largest share of income for the aged. Aggregate income for the population 65 or older comes largely from four sources. Social Security provides 38%, earnings account for 23%, and asset income and pensions each account for 18%. Only 3% comes from other sources.

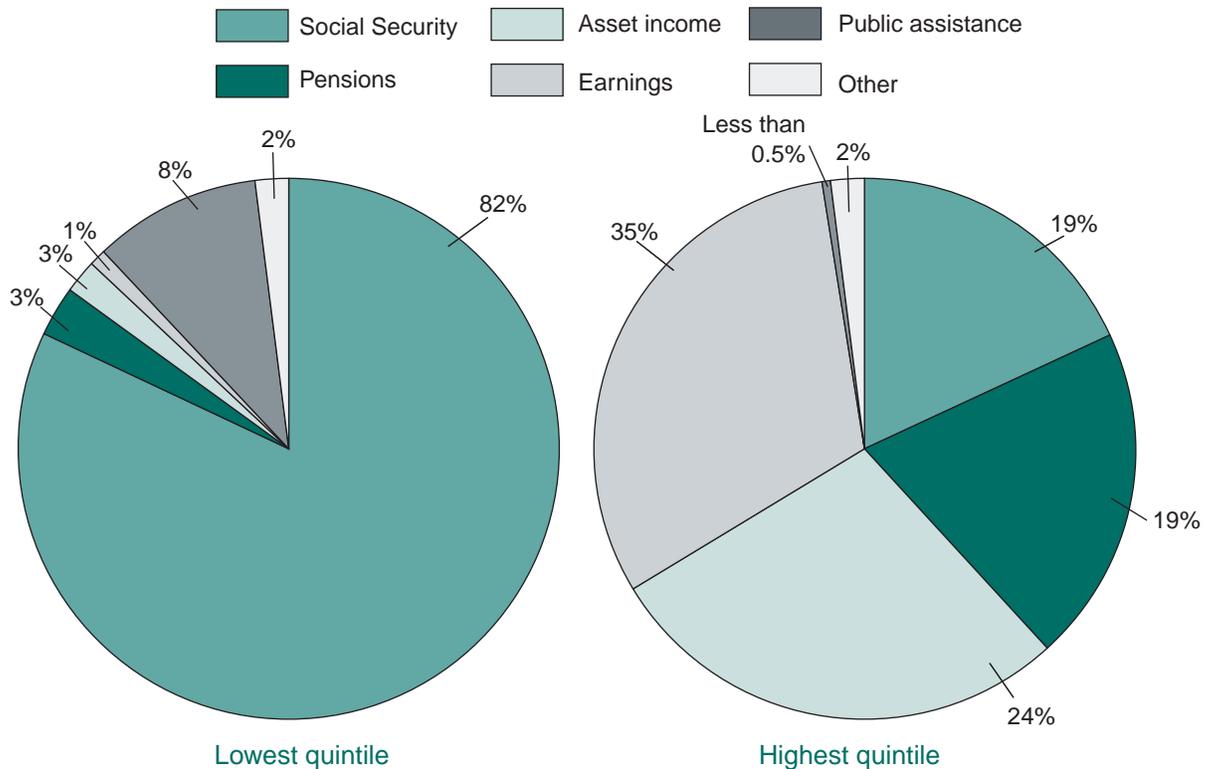
Shares of aggregate income, by source, 2000



Shares of Aggregate Income

Shares of income from each source differ greatly by income level. Aged units are ranked by total money income and divided into five groups of equal size called quintiles. Persons in the lowest quintile have the largest share of income from Social Security benefits (82%), and public assistance provides the second largest share (8%). For those in the highest income quintile, earnings provide the largest share of income (35%), income from assets is the next most important (24%), followed by pensions (19%) and Social Security (19%).

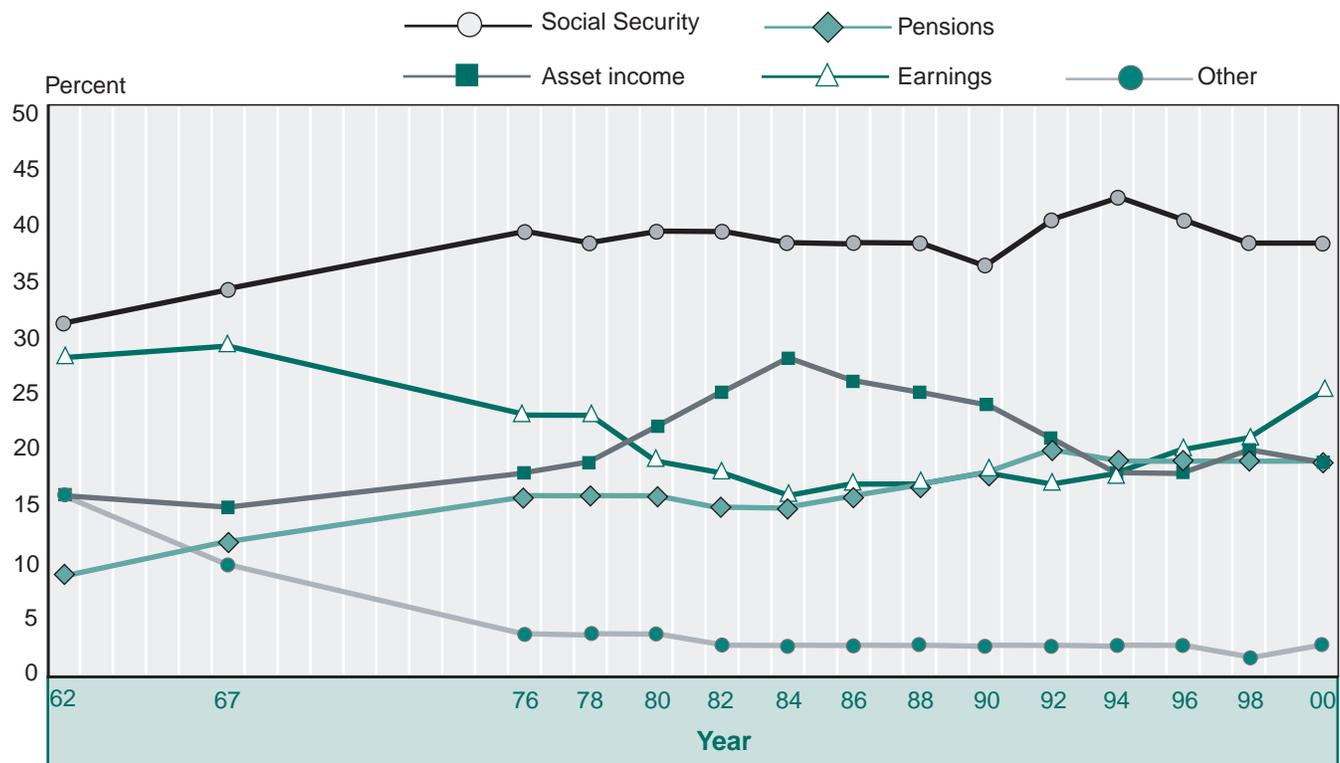
Shares of aggregate income for the lowest and highest income quintiles, by source, 2000



Shares of Aggregate Income

Over time, Social Security has provided the largest share of aggregate income for the aged. In 1962, it provided the largest share followed closely by earnings. In 2000, Social Security continued to provide the largest share but by a much wider margin compared with the other major sources of income. The share from asset income increased for over 20 years but has generally declined since the mid-1980s. The share from earnings has had the opposite pattern—declining until the mid-1980s and increasing since then. The share from pensions had doubled by the early 1990s but has since leveled off. The share from other income had doubled by the early 1990s but has since leveled off.

Change in shares of aggregate income, by source, selected years



Poverty Status, Based on Family Income

High proportions of nonmarried and minority aged are poor or near poor.

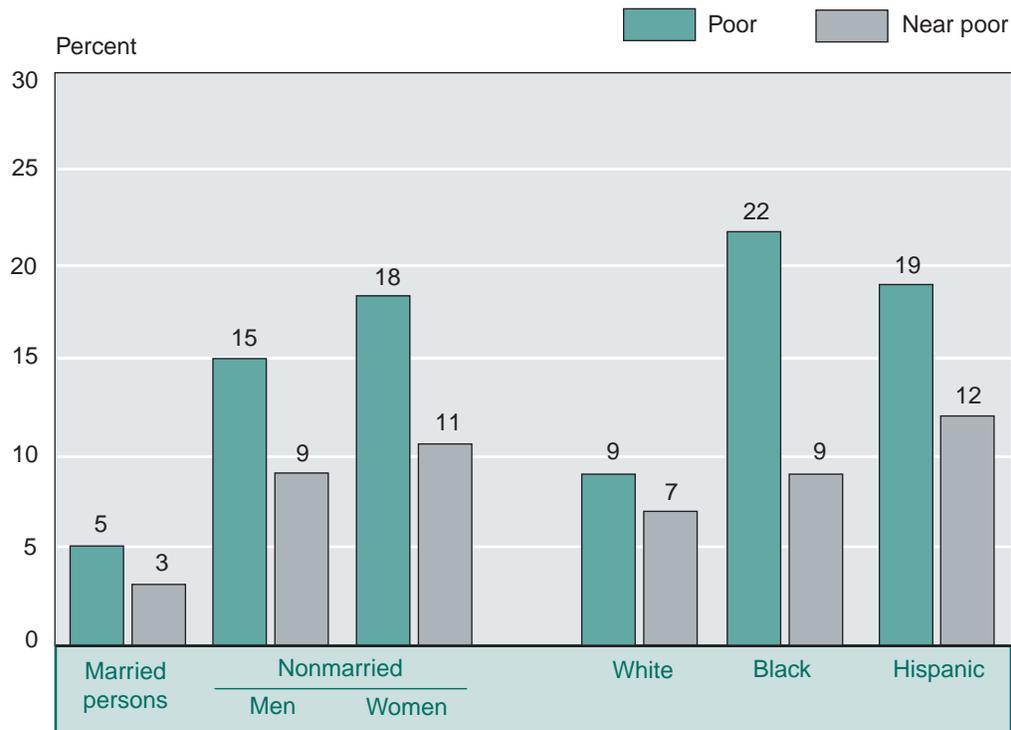
The oldest age group (85 or older) has the highest poverty rate.



Poverty Status, Based on Family Income

High proportions of nonmarried and minority aged are poor or near poor. The variations in family income by marital status and by race are reflected in the poverty rates for those subgroups of the aged. Nonmarried persons and minorities have the highest poverty rates, ranging from 15% to 22%. When those with income between the poverty line and 125% of the poverty line (the near poor) are included, the rates for nonmarried persons and minorities range from 24% to 31%.

Poverty status, by marital status, sex of nonmarried persons, race, and Hispanic origin, 2000



Poverty Status, Based on Family Income

The oldest age group has the highest poverty rate. In keeping with the lower median income of older age groups, poverty rates are often higher for those who are older. As with income, the large proportion of nonmarried women in the older age groups contributes to the difference in poverty rates by age. Nonmarried women are more likely than married persons to be poor or near poor in every age group. The near poor have income between the poverty line and 125% of the poverty line.

Poverty status, by age, marital status, and sex of nonmarried persons, 2000

Age	Married persons	Nonmarried men	Nonmarried women
<i>Percentage poor</i>			
65-69	4	16	18
70-74	4	17	18
75-79	5	13	19
80-84	5	15	17
85 or older	5	16	17
<i>Percentage poor or near poor</i>			
65-69	7	23	27
70-74	8	27	29
75-79	9	20	30
80-84	9	27	27
85 or older	11	25	33

Poverty status, by age, 2000

