

Economics

Indicator 7: Poverty (*updated*)

Indicator 8: Income (*updated*)

Indicator 9: Sources of Income (*updated*)

Indicator 10: Net Worth (*updated*)

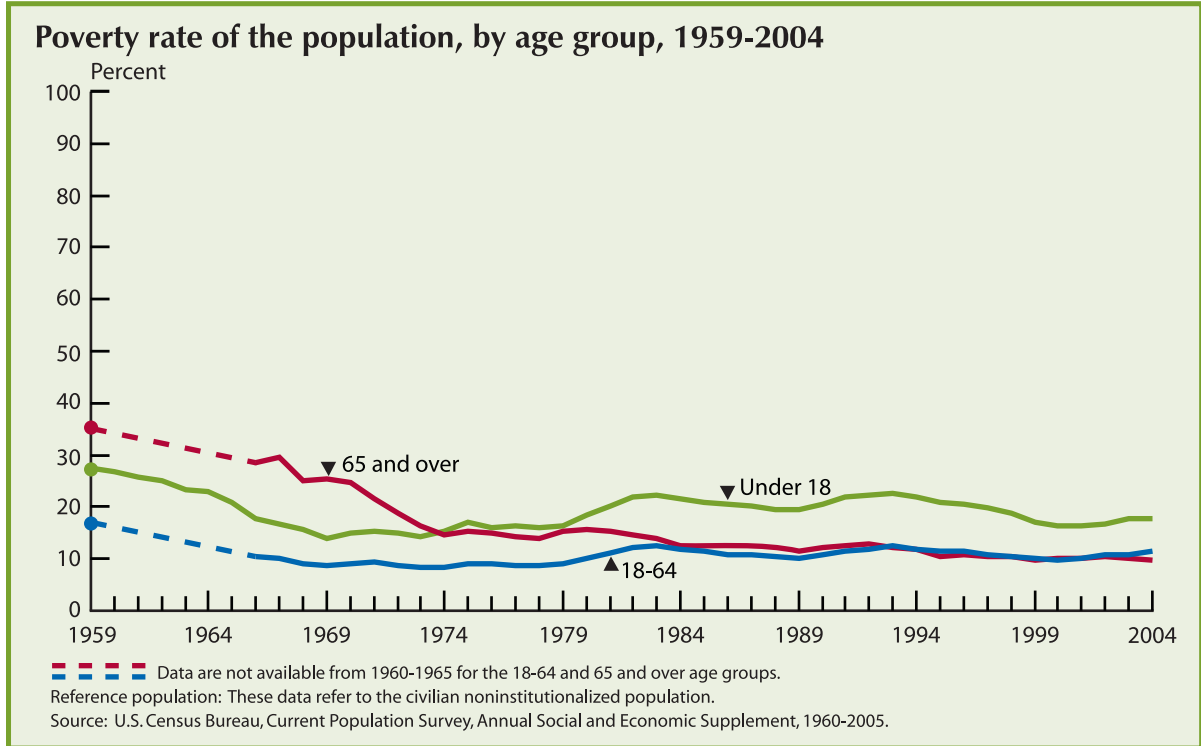
Indicator 11: Participation in the Labor Force (*updated*)

Indicator 12: Housing Expenditures

INDICATOR 7

Poverty

Poverty rates offer one way to evaluate economic well-being. The official poverty definition is based on annual money income before taxes and does not include capital gains and noncash benefits. To determine who is poor, the U.S. Census Bureau compares family income (or an unrelated individual's income) with a set of poverty thresholds that vary by family size and composition and are updated annually for inflation. People identified as living in poverty are at risk of having inadequate resources for food, housing, health care, and other needs.



Additional information for this indicator can be found at www.agingstats.gov.

Percentage of the population living in poverty, by age group, 2003-2004

Year	65 and over	Under 18	18-64	65-74	75-84	85 and over
	Percent					
2003	10.2	17.6	10.8	9.0	11.0	13.8
2004	9.8	17.8	11.3	9.4	9.7	12.6

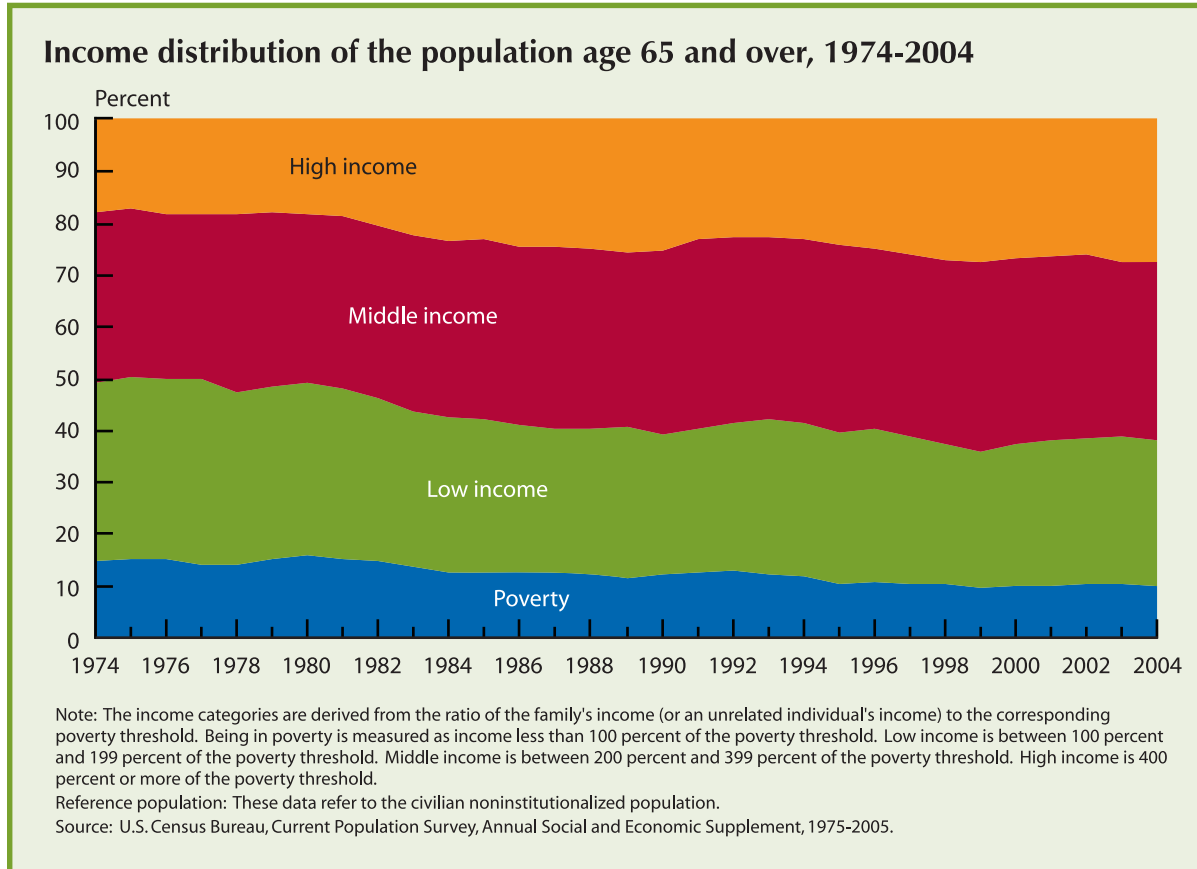
Data for this indicator's chart can be found in table 7a on pages 61 and 62.



INDICATOR 8

Income

The percentage of people living below the poverty line does not give a complete picture of the economic situation of older Americans. Examining the income distribution of the population age 65 and over and their median income provides additional insights into their economic well-being.



Additional information for this indicator can be found at www.agingstats.gov.

Income distribution of the population age 65 and over, 2003-2004

Year	Poverty	Low income	Middle income	High income
Percent				
2003	10.2	28.5	33.8	27.5
2004	9.8	28.1	34.6	27.5

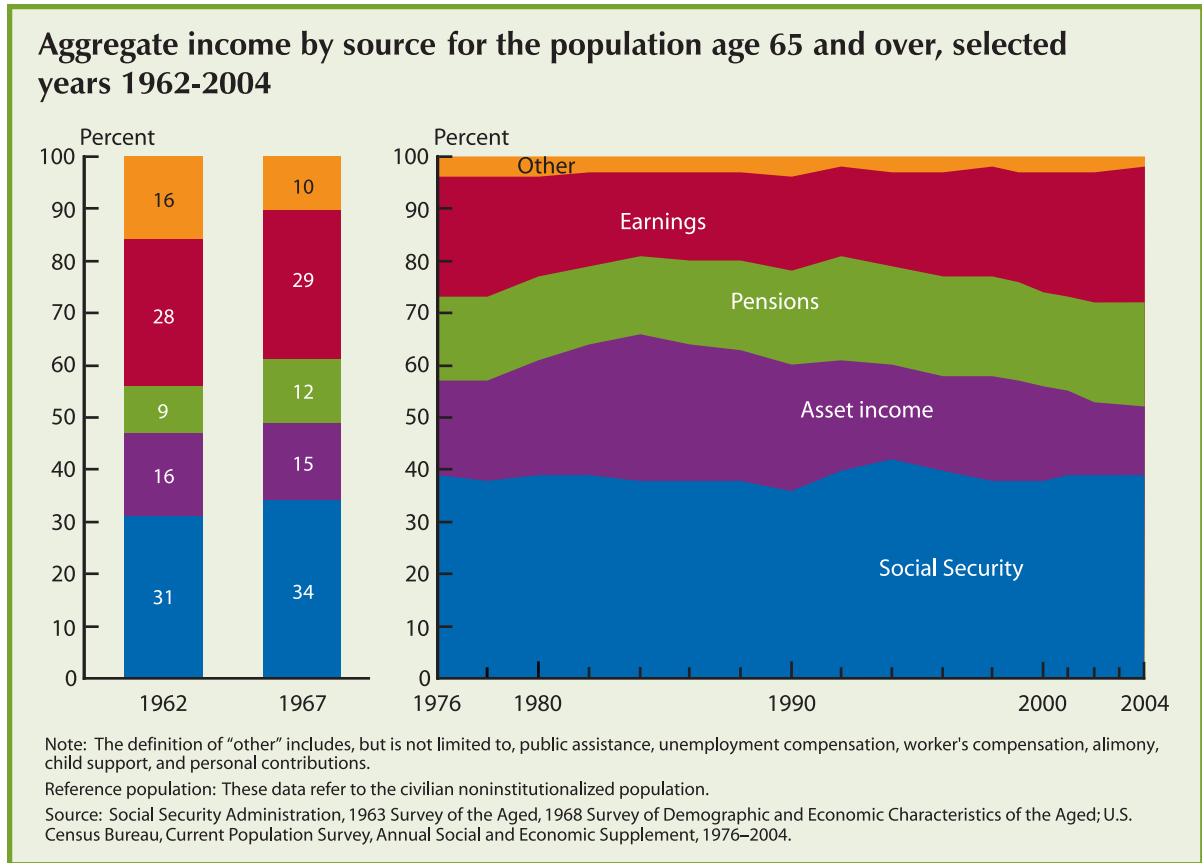
Data for this indicator's chart can be found in table 8 on page 62 and 63.



INDICATOR 9

Sources of Income

Most older Americans are retired from full-time work. Social Security was developed as a floor of protection for their incomes, to be supplemented by other pension income, income from assets, and to some extent, continued earnings. Over time, Social Security has taken on a greater importance to many older Americans.



Additional information for this indicator can be found at www.agingstats.gov.

Aggregate income by source for the population age 65 and over, 2003-2004

Year	Total	Social Security	Asset income	Pensions	Earnings	Other
Percent						
2003	100	39	14	19	25	2
2004	100	39	13	20	26	2

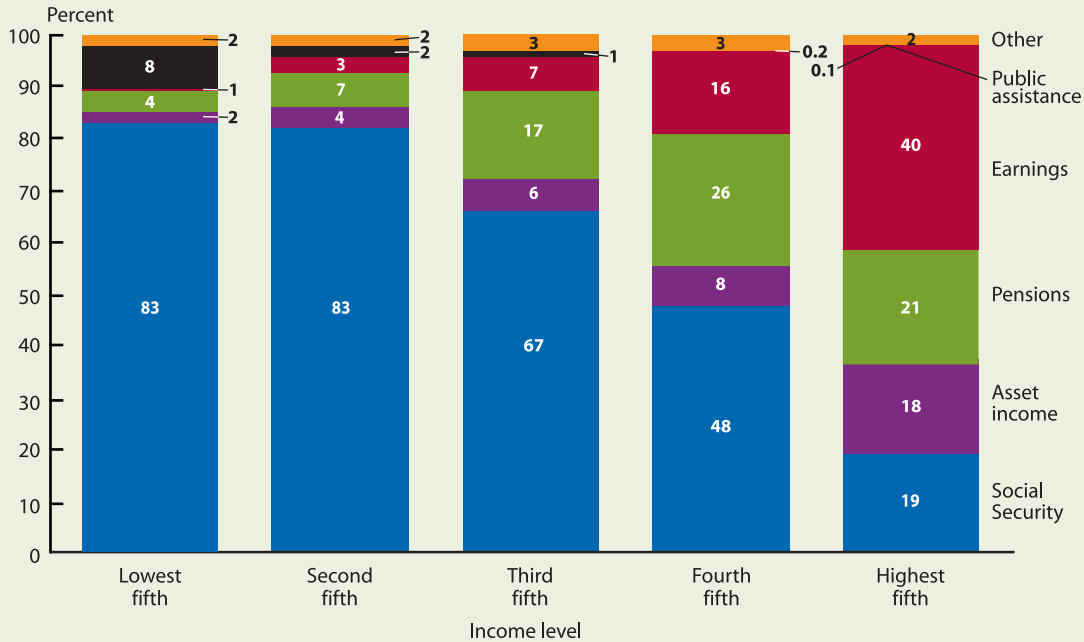
Data for this indicator's chart can be found in table 9a on page 63.



INDICATOR 9

Sources of Income continued

Aggregate income for the population age 65 and over, by source and income quintile, 2004



Note: The definition of "other" includes, but is not limited to, public assistance, unemployment compensation, worker's compensation, alimony, child support, and personal contributions. Quintile limits are \$10,399 for the lowest quintile, \$16,363 for the second quintile, \$25,587 for the third quintile, \$44,129 for the fourth quintile, and open-ended for the highest quintile.

Reference population: These data refer to the civilian noninstitutionalized population.

Source: U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplement.

Additional information for this indicator can be found at www.agingstats.gov.

Aggregate income for the population age 65 and over, by source and income quintile, 2004

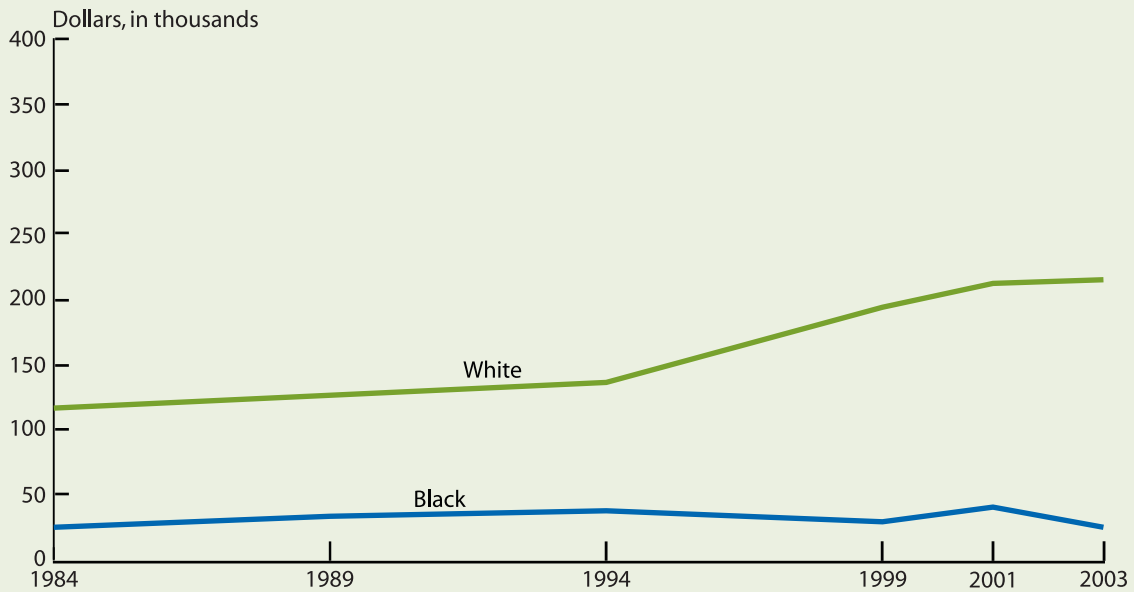
Income source	Lowest fifth	Second fifth	Third fifth	Fourth fifth	Highest fifth
Percent					
Total	100.0	100.0	100.0	100.0	100.0
Social Security	82.6	83.4	66.6	47.5	18.9
Asset income	2.3	3.8	6.0	8.4	17.8
Pensions	3.5	7.0	16.6	25.7	21.2
Earnings	1.2	2.8	7.1	15.7	40.1
Public assistance	8.4	1.6	0.9	0.2	0.1
Other	2.0	1.5	2.7	2.6	1.9

INDICATOR 10

Net Worth

Net worth (the value of real estate, stocks, bonds, and other assets minus outstanding debts) is an important indicator of economic security and well-being. Greater net worth allows a family to maintain its standard of living when income falls because of job loss, health problems, or family changes such as divorce or widowhood.

Median household net worth, by race of head of household age 65 and over, in 2003 dollars, selected years 1984-2003



Note: Net worth data do not include pension wealth. This excludes private defined-contribution and defined-benefit plans as well as rights to Social Security wealth. Data for 1984-2001 have been inflation-adjusted to 2003 dollars.
Reference population: These data refer to the civilian noninstitutionalized population.
Source: Panel Study of Income Dynamics.

Additional information for this indicator can be found at www.agingstats.gov.

Median household net worth, by race of head of household age 65 and over, in 2003 dollars, selected years 1984–2003

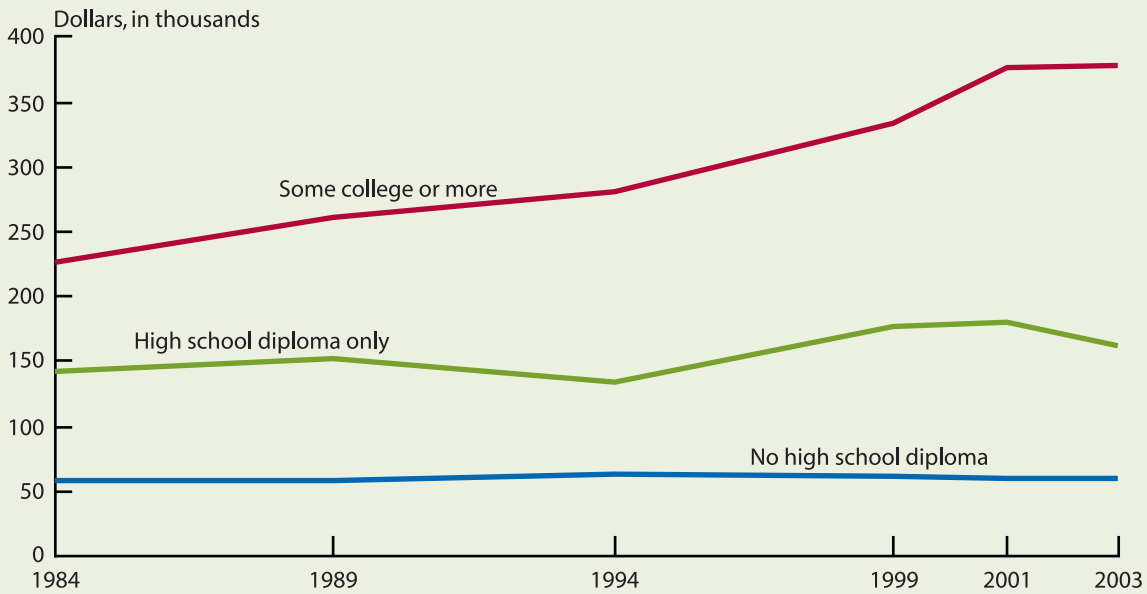
Selected characteristic	1984	1989	1994	1999	2001	2003
	Dollars					
White	\$117,800	\$127,600	\$136,600	\$194,400	\$213,000	\$215,000
Black	26,600	34,400	38,500	30,900	42,600	26,300

Note: Data for 1984-2001 have been inflation-adjusted to 2003 dollars.



INDICATOR 10 Net Worth continued

Median household net worth, by educational attainment of head of household age 65 and over, in 2003 dollars, selected years 1984-2003



Note: Net worth data do not include pension wealth. This excludes private defined-contribution and defined-benefit plans as well as rights to Social Security wealth. Data for 1984-2001 have been inflation-adjusted to 2003 dollars.
 Reference population: These data refer to the civilian noninstitutionalized population.
 Source: Panel Study of Income Dynamics.

Additional information for this indicator can be found at www.agingstats.gov.

Median household net worth, by educational attainment of head of household age 65 and over, in 2003 dollars, selected years 1984-2003

Selected characteristic	1984	1989	1994	1999	2001	2003
	Dollars					
No high school diploma	\$ 57,400	\$ 56,800	\$ 62,100	\$ 60,800	\$ 59,500	\$ 59,500
High school diploma only	142,200	151,200	134,100	176,700	178,700	161,000
Some college or more	224,900	259,700	279,400	332,400	374,500	376,500

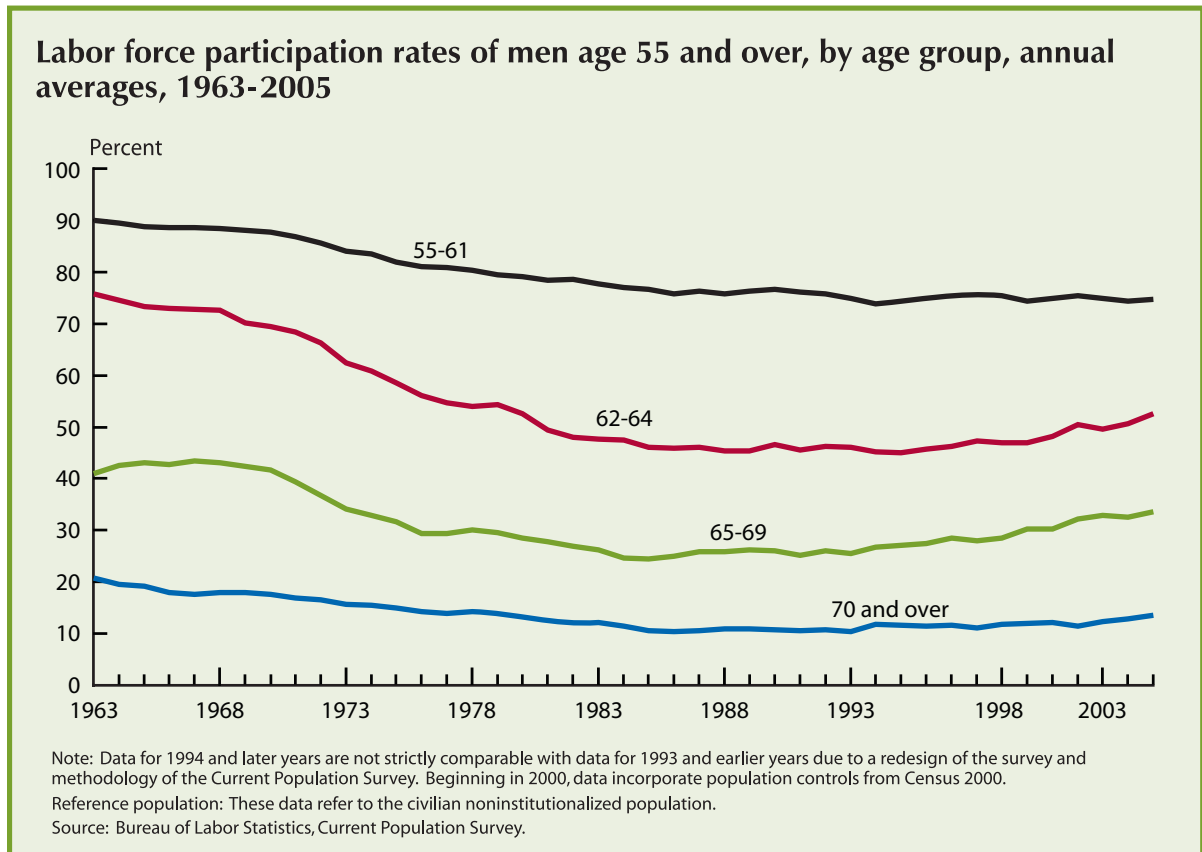
Note: Data for 1984-2001 have been inflation-adjusted to 2003 dollars.



INDICATOR 11

Participation in the Labor Force

The labor force participation rate is the percentage of a group that is in the labor force—that is, either working (employed) or actively looking for work (unemployed). Some older Americans work out of economic necessity. Others may be attracted by the social contact, intellectual challenges, or sense of value that work often provides.



Additional information for this indicator can be found at www.agingstats.gov.

Labor force participation rates of men age 55 and over, by age group, annual averages, 2004-2005

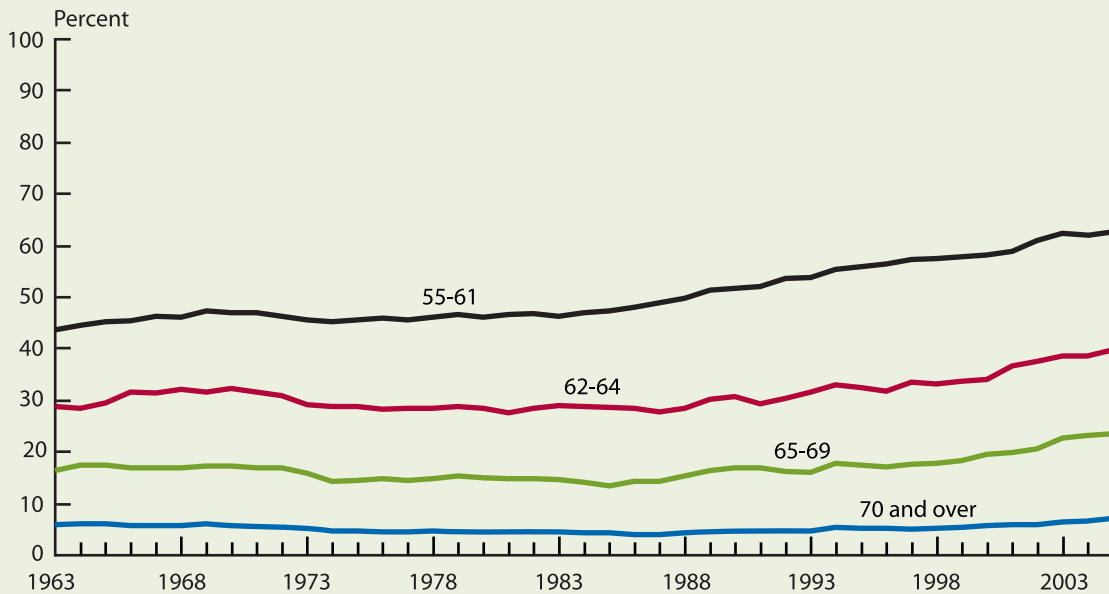
Year	Men			
	55-61	62-64	65-69	70 and over
	Percent			
2004	74.4	50.8	32.6	12.8
2005	74.7	52.5	33.6	13.5

Data for this indicator's chart can be found in table 11 on page 64.



INDICATOR 11 Participation in the Labor Force continued

Labor force participation rates of women age 55 and over, by age group, annual averages, 1963-2005



Note: Data for 1994 and later years are not strictly comparable with data for 1993 and earlier years due to a redesign of the survey and methodology of the Current Population Survey. Beginning in 2000, data incorporate population controls from Census 2000.
Reference population: These data refer to the civilian noninstitutionalized population.
Source: Bureau of Labor Statistics, Current Population Survey.

Additional information for this indicator can be found at www.agingstats.gov.

Labor force participation rates of women age 55 and over, by age group, annual averages, 2004-2005

Year	Women			
	55-61	62-64	65-69	70 and over
	Percent			
2004	62.1	38.7	23.3	6.7
2005	62.7	40.0	23.7	7.1

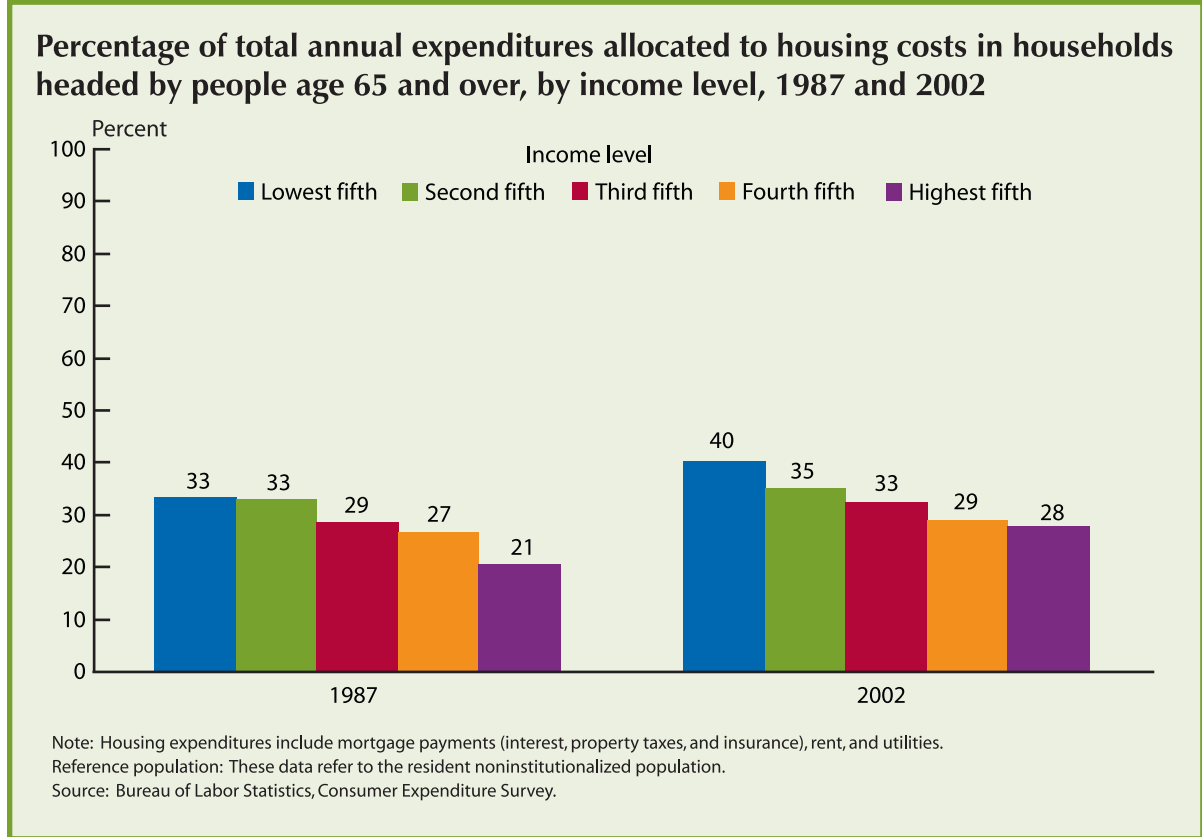
Data for this indicator's chart can be found in table 11 on page 64.



INDICATOR 12

Housing Expenditures

Most older people live in adequate, affordable housing,² but some older Americans are allocating a large proportion of their total expenditures to housing. When housing expenditures comprise a relatively high proportion of total expenditures, less money is available for health care, savings, and other vital goods and services.



Additional information for this indicator can be found at www.agingstats.gov.

Percentage of total annual expenditures allocated to housing costs in households headed by people age 65 and over, by income level, selected years 1987-2002 (Last updated in *Older Americans 2004*)

Income level	1987	1989	1992	1994	1996	1998	2002
	Percent						
Lowest fifth	33.4	34.8	37.5	34.5	36.2	36.0	40.3
Second fifth	33.0	31.4	32.5	35.5	34.0	35.3	35.3
Third fifth	28.8	28.3	30.0	26.3	29.8	28.7	32.6
Fourth fifth	26.7	23.9	26.1	26.4	28.9	28.0	29.1
Highest fifth	20.5	21.8	23.3	23.6	24.1	25.8	28.0

