

Outcome Indicators

Since its inception, Social Security has been an important source of economic security and financial stability for the American people. The programs administered by the Social Security Administration (SSA) for nearly 70 years touch the lives of virtually every American. The Old-Age, Survivors, and Disability Insurance (OASDI) programs are earnings-based and provide income support to individuals who experience the onset of unexpected disability or the untimely loss of a spouse or parent, and those who have made the transition from work to retirement. The Supplemental Security Income (SSI) is a needs-based program that provides financial support to the aged and disabled who are unable to meet their basic needs. SSA's programs, however, are not the only factors that affect the economic status of the aged, disabled, and survivor populations. Personal choices, social attitudes, and the economic climate also play important roles. Thus, it is not feasible for the agency to establish numerical goals for such measures as levels of income or rates of poverty.

Today, 45.9 million people, or approximately 1 out of every 6 Americans, receive Social Security benefits and nearly 1 in 4 households receive income from Social Security. A majority of the elderly receive more than half of their income from Social Security and a growing proportion receive all or almost all of their income from Social Security.

At present in the United States, over five million children receive a portion of their family income from Social Security. They include three million children who receive Social Security as dependents of deceased, disabled, or retired workers and an additional two million children who live with relatives receiving Social Security benefits. The poverty rate for children in families reporting Social Security benefits declined from about 25 percent to 20 percent in the period from 1998 to 2001 – this represents approximately 300,000 fewer children living in poverty.

No single indicator can capture the effectiveness of a social program. Therefore, SSA has developed a number of outcomes for the OASI, DI and SSI programs. Each outcome contains multiple data indicators that reflect the different bases and objectives of each program. These indicators measure how well the Agency's programs provide for the economic security of its beneficiary populations. They should be considered both within the context of each other and in relation to external economic, social and other factors. Although SSA cannot set goals for these indicators, the agency has committed to identifying and defining quantitative measures to assess the outcomes of the Agency's programs.

This is the fourth year that SSA has published outcome indicators. A number of changes have been made this year, including:

- Adding a new measure for Labor Force Participation;
- Changing the data source for the Percentage of the Population Participating in an Employer-Sponsored Pension Plan;
- Discontinuing Hypothetical Earnings Replacement Rates of Retirees at Normal Retirement Age, since SSA now has actual replacement rates; and
- Temporarily dropping the measures, Percentage Reduction in Poverty Gap Due to SSI, and Relative Importance of SSI Income to Beneficiaries' Total Income, by Age until issues of data comparability are resolved.

The five outcome categories are:

- I. Program Coverage and Eligibility
- II. Benefit Adequacy and Equity
- III. Reliance on Social Security Programs
- IV. Return-to-Work Among Persons with Disabilities
- V. Private Provision for Retirement

NOTE: Reprinted from the Social Security Administration's *Performance and Accountability Report for Fiscal Year 2003*. These indicators (formerly called Barometer Measures) were first developed for the fiscal year 2000 report.

I. Measures of Program Coverage and Eligibility

OASDI benefits are based on lifetime labor force participation. The outcome indicators in this section show the extent to which individuals have worked in covered employment and meet the work requirements to be insured for old-age or disability benefits, and for women, the extent to which they receive benefits based on their own work record or the work record of a spouse.

Labor force participation rates vary greatly by age and sex and have been changing over time, especially for women. The labor force participation rate for men aged 25 to 54 has been declining gradually since 1998. This trend is consistent with that of the past half century – participation among this group declined from 97.4 percent in 1955 to 91.0 percent in 2002. However, the trends for men aged 55 to 64 and those aged 65 and over have been quite different. Although participation for these groups declined significantly between the 1950s and the 1980s, they have generally been increasing gradually for the past few years (IA). Labor force participation among women aged 25 to 54 and 55 to 64 has increased dramatically over the past 50 years. However, the rate among the former group appears to have leveled off, and has actually declined slightly (from 76.8 percent in 2000 to 76.0 percent in 2002). Participation among women 65 and over has been generally stable for many years but has increased from 8.6 percent in 1998 to 9.9 percent in 2002.

IA. Labor Force Participation Rates

Year	Men		
	25-54	55-64	65 and up
1998	91.8	68.1	16.5
1999	91.7	67.9	16.9
2000	91.6	67.3	17.5
2001	91.3	68.1	17.7
2002	91.0	69.2	17.8

Year	Women		
	25-54	55-64	65 and up
1998	76.5	51.2	8.6
1999	76.8	51.5	8.9
2000	76.8	51.8	9.4
2001	76.4	53.0	9.7
2002	76.0	55.1	9.9

Source: U.S. Department of Labor

Many factors influence the rate of employment among persons aged 55 and older, including the rate of economic growth, eligibility for Social Security benefits, personal savings and both the prevalence and design of employer-sponsored pension plans. For example, Congress legislated changes in the Social Security earnings test in 1996, and again in 2000, that made it more desirable for persons aged 66 and older to continue working. Also, the trend away from defined-benefit private pension plans, which often include early-retirement subsidies, toward age-neutral defined-contribution plans, may have had a similar effect.

Forty quarters of coverage are required to establish eligibility for retirement benefits. Newly retired male workers typically have earned more quarters of credit for Social Security coverage than newly retired female workers and have experienced fewer years with no earnings. Men retiring in 2002, on average, had covered earnings in about 84 percent of the quarters from age 22 to the year before first collecting retired-worker benefits, compared with 66 percent for women (IB). And men had, on average, 6 years with no earnings from age 22 to retirement compared with over 13 years for women (IC).

IB. Average Percentage of Quarters of Coverage of New Retired-Worker Beneficiaries

Year	Total	Men	Women
1999	73.9	81.4	64.5
2000	74.3	82.1	64.7
2001	75.3	83.3	65.5
2002	75.8	83.7	66.4

Note: The average percentage of quarters of coverage earned is the number of quarters actually earned divided by the total number of quarters from age 22 to the year before first collecting retired-worker benefits. The figures for 1999-2001 have been modified slightly to reflect earnings posted since issuance of the last Barometer Measures report.

Source: 1% Continuous Work History Sample supplemented with information from the Master Earnings File for persons retiring in 1999-2002.

IC. Average Number of Years with Zero Earnings of New Retired-Worker Beneficiaries

Year	Total	Men	Women
1999	9.5	6.1	13.7
2000	9.6	6.2	13.8
2001	9.4	6.1	13.5
2002	9.3	6.1	13.0

Note: Years of zero earnings are measured from age 22 to the year before first collecting retired-worker benefits. This calculation does not subtract out the lowest 5 years as is done in the benefit calculation.

Source: 1% Continuous Work History Sample supplemented with information from the Master Earnings File for persons retiring in 1999-2002.

Almost 95 percent of individuals aged 62 or older were eligible (either insured for benefits or could receive benefits based on the work record of an insured worker) for OASDI benefits in 2002 (ID). Eighty-four percent of men and 72 percent of women aged 20 to the normal retirement age were insured for disability (IE). Although fewer women were insured for disability benefits than men (72 percent compared with 84 percent), the percentage insured is gradually increasing. Also, more individuals of both sexes under age 62 than those between age 62 and the normal retirement age were eligible for disability benefits. This was especially true of women (74 percent for women aged 20-49, for example, compared with 60 percent for those aged 62 to the normal retirement age).

ID. Percentage of Population Aged 62 or Older Eligible for OASDI Benefits

Year	Total	Men	Women
1999	94.1	93.6	94.5
2000	93.9	93.3	94.4
2001	94.2	93.6	94.5
2002	94.6	94.3	94.9

Note: Insured for OASDI benefits or could receive benefits based on the work record of an insured worker. Persons not eligible for Social Security include those without enough work credits and those who work in non-Social Security-covered employment, such as some state and local governments. Percentages for years 1999-2001 have been revised to reflect adjustment of population totals due to undercount in 1990 Census.

Source: Estimate of SSA Office of the Chief Actuary, December 1999 - December 2002.

IE. Percentage Who Meet Work Requirements to Be Insured for Disability Benefits

Year	Men			
	Total	20-49	50-61	62-NRA
1999	83.3	83.4	83.7	78.3
2000	83.5	83.6	84.0	77.9
2001	83.4	83.4	84.2	79.0
2002	83.5	83.5	83.8	79.9

Year	Women			
	Total	20-49	50-61	62-NRA
1999	71.3	72.8	68.7	57.6
2000	71.9	73.3	69.6	58.4
2001	72.4	73.7	70.5	59.5
2002	72.4	73.9	69.8	60.4

Note: NRA = normal retirement age — This is the age at which a worker is entitled to an unreduced retirement benefit. For workers born in 1937 or earlier, it is age 65. For those born after 1937, NRA is increased incrementally until it reaches age 67 for workers born on January 2, 1960 or later. Percentages for years 1999-2001 have been revised to reflect adjustment of population totals due to undercount in 1990 Census.

Source: Estimate of the SSA Office of the Chief Actuary, December 1999 - December 2002

Social Security provides benefits not only to workers but also to spouses and survivors. More women receive OASDI benefits based on their own work record only than as a spouse only. In 2002, about 37 percent of the female beneficiaries aged 65 or older were receiving only retired-worker benefits and 33 percent were receiving only a wife or widow benefit. Twenty-nine percent were dually entitled to their worker benefit and a higher spouse benefit (IF). The proportion of aged women who were receiving only retired-worker benefits or who were dually entitled has increased by 1.8 percentage points between 1999 and 2002.

IF. Percentage of Women Aged 65 or Older Receiving OASDI Benefits

Year	Total	Retired Worker Only	Dually Entitled	Wife or Widow Only
1999	100.0	36.2	28.6	35.3
2000	100.0	36.4	28.9	34.7
2001	100.0	36.8	29.2	34.0
2002	100.0	37.2	29.4	33.3

Source: Master Beneficiary Record (MBR), December 1999 - December 2002

II. Measures of Benefit Adequacy and Equity

Social Security benefits and Supplemental Security Income both play an important role in the economic security of beneficiaries. Adequacy and equity are measured in terms of the size of benefits in relation to prior earnings, poverty levels and how benefit dollars are distributed.

Because of Social Security's progressive benefit formula, low-wage workers experience higher replacement rates in retirement than other workers. Replacement rates measure the adequacy of OASDI benefits in retirement relative to prior earnings. More specifically, SSA defines replacement rates as the ratio of the retired worker's benefit based on

his or her own earnings to his average indexed monthly earnings (AIME). The median replacement rate in 2002 was about 42 percent (IIA.1). Median replacement rates ranged from 70 percent for those in the lowest earnings group to 30 percent for those in the highest earnings group (IIA.2). Because women tend to have lower earnings than men, their median replacement rate is higher than that of men. In 2002, it was about 51 percent for women compared with almost 37 percent for men.

IIA.1. Earnings Replacement Rates of Retired Workers at First Benefit Receipt, by Sex

Year	Total	Male	Female
1999	42.8	37.0	52.0
2000	42.9	37.5	52.4
2001	42.6	36.7	51.8
2002	42.1	36.5	50.8

Note: Includes all retirees entitled to retired-worker benefits in that year, excluding retirees who had a prior entitlement to disability benefits. The replacement rates are calculated as the median of the retired worker's benefit based on his or her own earnings (i.e., excluding any dual entitlement) divided by his or her own average indexed monthly earnings (AIME). The AIME is the measure of prior earnings upon which the social security benefit is calculated. It is calculated from the worker's highest 35 years of earnings, which have been adjusted for changes in the average wage index to the year of attainment of age 62.

Source: 1% Continuous Work History Sample supplemented with information from the Master Earnings File for persons retiring in 1999-2002.

IIA.2. Earnings Replacement Rates of Retired Workers at First Benefit Receipt, by AIME Quintile

Year	Lowest	Second	Third	Fourth	Highest
1999	72.5	51.6	41.5	35.9	31.2
2000	71.6	52.2	41.5	36.8	31.5
2001	70.9	51.8	41.5	36.8	31.5
2002	70.1	50.8	40.5	35.0	30.2

Note: See note in IIA.1 above. AIME quintile limits for 2002 are: \$876.0 (lowest), \$1,692.0 (second), \$2,647.0 (third), \$3,810.0 (fourth). Quintiles are five groups of equal size.

Source: 1% Continuous Work History Sample supplemented with information from the Master Earnings File for persons retiring in 1999-2002.

Measures of poverty provide a broader assessment of the adequacy of income of those who receive OASDI benefits and SSI benefits, including other sources of income of beneficiaries and income of other family members. In 2001, the most recent year for which data are available, 8.4 percent of OASDI beneficiaries aged 65 or older (2.6 million individuals) were below poverty, about the same as in 1998 (IIB). The poverty rate for beneficiaries aged 18-64 was about the same in 2001 as it was in 1998, but the poverty rate for children in families reporting Social Security benefits declined from about 25 percent to 20 percent over the same period. Although the poverty rate is much lower

for aged beneficiaries than for younger beneficiaries, more aged beneficiaries are poor than are working aged beneficiaries or children living in families receiving OASDI benefits.

IIB. OASDI Beneficiaries in Poverty

Year	Percentage in Poverty			Number in Poverty (millions)		
	Under 18	18-64	65 or older	Under 18	18-64	65 or older
1998	24.9	18.3	8.5	1.3	1.5	2.5
1999	20.2	16.6	8.1	1.0	1.4	2.4
2000	18.6	16.3	8.5	0.9	1.4	2.5
2001	20.0	17.2	8.4	1.0	1.5	2.6

Note: Beneficiaries aged 65 or older and 18-64 are individuals who report receiving Social Security. Beneficiaries under age 18 are children in families who report receiving Social Security. Poverty is based on family money income, which does not include non-money transfers such as food stamps. The 2000 numbers for children changed slightly from the previous edition because the Census Bureau issued a revised data file in November 2001 that affected the weights for children. Additionally, an error was discovered in the previous calculation that affected the number of children in poverty in 2000.

Source: Current Population Survey (CPS), 1998 - 2001.

SSI beneficiaries residing in states with only a federal benefit received payments that raised them to 70 percent of the poverty level in 2002. Those living in states that supplemented SSI payments were raised to levels ranging from 72 percent of the poverty threshold in Michigan to 96 percent in California (IIC). California's SSI as a percent of the poverty threshold had increased by 3 percentage points between 2001 and 2002, primarily as a result of an increase in the monthly level of supplementation from \$181 to \$205.

IIC. SSI as a Percentage of the Poverty Threshold in States with "Broad Coverage" State Supplement Groups

Federal Benefit with State Supplement		1999	2000	2001	2002
	California	94	93	93	96
	Massachusetts	84	84	84	86
	Michigan	71	71	71	72
	New Jersey	74	73	73	74
	New York	81	80	80	81
	Pennsylvania	73	72	73	73
Federal Benefit only		69	69	69	70

Note: Federal SSI plus federally administered state supplements for one person. A broad coverage group includes persons with the most common type of living arrangement within each state, which varies from state to state. Individuals in such living arrangements receive an SSI federally administered state supplement together with the federal payment that moves them closer to the poverty threshold than the federal payment alone.

Source: Supplemental Security Record (SSR) and data from states, 1999 - 2002.

Although low-income workers receive proportionately higher OASDI benefits relative to past earnings, high-earning workers receive higher OASDI benefits in absolute terms. As shown in IIA.2, the replacement rate for the lowest quintile in 2002 was 70.1 percent; however, individuals in this quintile received only 16 percent of OASDI dollars paid in 2001 (IID). Conversely, individuals in the highest quintile had a replacement rate of 30.2 percent, but they received 23 percent of OASDI dollars paid in 2001.

IID. Percentage of OASDI Dollars Paid, by Income Quintiles and Age

Year	65 or older					
	Total	Lowest	Second	Third	Fourth	Highest
1998	100	16	20	20	21	23
1999	100	16	20	21	21	23
2000	100	16	19	21	21	24
2001	100	16	19	20	21	23

Year	18-64					
	Total	Lowest	Second	Third	Fourth	Highest
1998	100	15	20	21	21	23
1999	100	16	20	21	21	22
2000	100	16	19	20	22	23
2001	100	15	19	21	21	23

Note: The family income quintile limits for 2001 for those aged 65 or older are \$13,420 (lowest), \$22,072 (second), \$32,684 (third), \$54,405 (fourth). The family income quintile limits for those 18-64 are \$12,060 (lowest), \$21,072 (second), \$35,780 (third), \$57,016 (fourth). The 1998-2000 numbers changed from the previous edition due to a change in the methodology. The previous methodology summed family benefits, which resulted in double-counting benefits for families with more than one beneficiary. The current methodology sums person benefits. This change resulted in a higher percentage of OASDI dollars paid to beneficiaries in the lowest income quintile, and a lower percentage paid to the upper quintiles.

Source: CPS, 1998 – 2001.

III. Measures of Reliance on Social Security Programs

OASDI was designed to be a partial replacement of income lost because of retirement, disability or death of a worker. The outcome indicators in this section show both the extent to which individuals have other sources of the income they need to ensure economic security and the comparative role that OASDI and other sources play in economic security. The measures also indicate which groups would be most affected, by virtue of their heavy reliance on these programs, by changes to the program.

Based on survey reports of income, over half of beneficiaries aged 65 or older and over two-fifths of beneficiaries aged 18 to 64 rely on OASDI for half or more of their family income, and 14 to 15 percent of both age groups rely on OASDI for all of their income (IIIA). OASDI provides 89 percent of the family income of beneficiaries 65 or older in the lowest income quintile compared with 21 percent for those in the highest income quintile (IIIB). Reliance on Social Security for 90 percent or more of total income appears to be increasing slightly.

IIIA. Ratio of Family OASDI Income to Beneficiaries' Total Family Income, by Age

Year	50% or More of Total Income		90% or More of Total Income		100% of Total Income	
	18-64	65 or older	18-64	65 or older	18-64	65 or older
1998	43	55	20	22	13	12
1999	42	55	19	21	12	12
2000	43	55	20	23	14	13
2001	44	56	22	25	15	14

Note: A regular SSA data series presents somewhat different figures for those 65 or older counting individuals and married couples based on their own benefits as a percentage of their own income to measure reliance on Social Security of the aged whether they live with other family or not. The most recent numbers (2001) under that calculation are 65 percent (50 percent or more of total income), 33 percent (90 percent or more) and 20 percent (100 percent). The method used for this indicator counts

individuals based on their family benefits as a percentage of their family income because this is most appropriate for those aged 18-64. The 1998-2000 numbers changed from the previous edition due to a change in the methodology. Beneficiaries with zero or negative total family income, negative family earnings, or negative family asset income are now excluded. Additionally, the rounding methodology has been changed.

Source: CPS, 1998 - 2001.

IIIB. Ratio of Family OASDI Income to Beneficiaries' Total Family Income, by Quintiles of Family Money Income and Age

		65 or older				
Year	Lowest	Second	Third	Fourth	Highest	
1998	88	75	59	40	22	
1999	88	74	59	41	20	
2000	89	75	59	41	21	
2001	89	77	60	41	21	

		18-64				
Year	Lowest	Second	Third	Fourth	Highest	
1998	82	67	47	30	17	
1999	83	67	46	29	16	
2000	84	67	46	31	17	
2001	86	69	47	31	18	

Note: The 2001 family income quintile limits for those aged 65 or older are \$13,420 (lowest), \$21,618 (second), \$32,684 (third), \$54,405 (fourth); the family income quintiles for those aged 18 to 64 are \$12,060 (lowest), \$22,072 (second), \$35,780 (third), \$57,016 (fourth). A regular SSA data series presents somewhat different figures for those 65 or older, counting individuals and married couples on the basis of their own income quintiles and their own reliance on benefits. The method used for this indicator counts individuals based on their family benefits as a percentage of their family income because this is most appropriate for those aged 18-64. The 1998-2000 numbers changed from the previous edition due to a change in the methodology. Beneficiaries with zero or negative total family income, negative family earnings, or negative family asset income are now excluded. Additionally, an error was discovered in the previous calculation that affected the numbers for the highest income quintile.

Source: CPS, 1998 - 2001.

IV. Measures of Return-to-Work Among Persons with Disabilities

Since their inception, the Disability Insurance (DI) and SSI programs have emphasized the importance of beneficiaries returning to work when possible. However, moving DI and SSI beneficiaries into employment has proved to be a substantial challenge.

DI beneficiaries are entitled to receive full benefits throughout a 9-month trial work period (TWP) during which they may work and have earnings above a level which constitutes substantial gainful activity (SGA)—currently \$800 per month. If, after completing the TWP, a beneficiary continues to have a disabling impairment and has earnings above SGA; his or her benefits are suspended. The beneficiary is also entitled to a 36-month extended period of eligibility (EPE). During the EPE, if earnings fall below the SGA level, benefit payments resume without the beneficiary’s having to file a new application. After completing the EPE, if earnings continue to be above the SGA level, benefits are terminated.

In 2001 (the most recent year for which complete data are available), 14.5 percent of DI worker beneficiaries were working, with median earnings of \$3,023. The percentage of beneficiaries working declined slightly from the previous year, but the number who were working was about the same. In 2002, only 0.2 percent (10,300) of all DI beneficiaries had their benefits suspended after completing a TWP because they had earnings above the SGA level (\$780 a month in 2002). Also in 2002, 0.53 percent of DI beneficiaries (29,200) had their benefits terminated because their earnings exceeded the SGA level (IVA). The figure on benefit terminations includes beneficiaries who completed the EPE in 2002 as well as beneficiaries who did not report that they were working whose earnings were not detected by SSA until after they completed the EPE.

IVA. Work Among DI Beneficiaries

Year	Working and Receiving Benefits		Benefits Suspended Due to Work Above SGA		Benefits Terminated Due to Work Above SGA	
	Number	Percent	Number	Percent	Number	Percent
1998	574,000	14.1	N/A	N/A	N/A	N/A
1999	612,000	14.5	10,000	0.2	N/A	N/A
2000	657,000	15.1	10,700	0.2	N/A	N/A
2001	658,000	14.5	12,100	0.2	29,000	0.55
2002	NA	NA	10,300	0.2	29,200	0.53

Note: SGA = substantial gainful activity (\$780 per month in 2002); TWP = trial work period; N/A=not available.

Source: Data for working and receiving benefits are from the MBR matched to the Detailed Earnings Record, 1998 – 2001. Data for benefits suspended or terminated because of work above SGA after a trial work period are from MBR, 1999 - 2002.

About 6 percent of the disabled SSI beneficiaries aged 18 to 64 worked, with most working at or below SGA (IVB). Through section 1619(a) of the Social Security Act, SSI recipients who earn more than SGA can continue to receive cash benefits. Average monthly earnings in 2002 were \$312 (\$1,043 for those working above SGA and \$257 for those working at or below SGA). Of those who worked, about 5 percent (15,300) stopped receiving cash SSI benefits because of their earnings. That group constituted less than half a percent of all SSI beneficiaries (IVC).

The proportion of SSI beneficiaries who work has declined in each of the past 2 years. Previous research has demonstrated a strong inverse correlation between the work patterns of SSI beneficiaries and the overall rate of unemployment. The unemployment rate increased from 4.0 percent in 2000 to 4.7 percent in 2001 and to 5.8 percent in 2002. The decline in the proportion of working DI beneficiaries noted above suggests that this finding may also apply to that population.

IVB. Work Among Disabled SSI Beneficiaries Aged 18-64 (as a Percentage of All Disabled SSI Beneficiaries)

Year	Working Above SGA	Working At or Below SGA	Total Working
1999	0.7	6.3	7.0
2000	0.7	6.4	7.1
2001	0.6	6.1	6.7
2002 ^a	0.4	6.0	6.4

Note: Does not include 82,000 persons whose earnings preclude a cash payment. They remain SSI beneficiaries for Medicaid purposes.

Source: SSR, December 1999 - December 2002.

IVC. Disabled SSI Beneficiaries Aged 18 to 64 Whose Benefits Ceased Because of Work

Year	Number	Percentage of All SSI Beneficiaries	Percentage of All SSI Beneficiaries Who Work
1999	15,700	0.4	4.8
2000	16,100	0.4	4.7
2001	15,800	0.4	4.8
2002	15,300	0.4	4.7

Note: Number whose benefits (cash, Medicaid, or both) ceased during the quarter ending December 31. These data are reported quarterly. Quarterly numbers cannot be added together because doing so would produce an over-count of people who start and stop work multiple times during a year.

Source: SSR, December 1999 – December 2002.

V. Measures of Private Provision for Retirement

OASDI was intended to be a floor of protection in retirement that would be supplemented by employer-sponsored pensions and individual savings. Adequacy of income in retirement is highly dependent on having sources of income other than OASDI. In 2001, half of the working population had coverage in an employer-sponsored pension plan (VA). Plan participation was highest--55 percent--among workers aged 40 to 54. Plan participation was substantially lower for the total population than for the working population (41 percent compared with 50 percent). Historical data show that pension coverage leveled off in the 1970s at roughly half the work force covered and has remained at that level since that time. Plan participation between 2000 and 2001 declined by 2 percentage points among both the total population and the working population. Also, pension plan participation is shifting from largely defined benefit plans toward defined contribution plans, which add more personal choice but also add market risk in accumulating a pension.

VA. Percentage Participating in an Employer-Sponsored Pension Plan

Year	Total Population				Working Population			
	Total	25-39	40-54	55-64	Total	25-39	40-54	55-64
1998	42	40	48	33	51	46	57	51
1999	43	40	48	34	52	46	57	53
2000	43	41	48	35	52	47	58	53
2001	41	39	46	35	50	45	55	52

Note: Includes private pensions, federal employee pensions, military retirement, and state and local pensions. This does not include individual retirement accounts or Keoghs.

Source: CPS March Supplement 1999-2002.

Assets can provide income in retirement, such as interest, dividends, and periodic withdrawals. Assets such as a home provide services until the value is recovered when sold. Income from assets comes largely from financial assets, but the most important component of most people's assets is the value of their home. Measures of both financial assets and net worth, which includes the value of the principal residence and other property and businesses, are shown here. In 2001, median family financial assets for married couples aged 65 or older were \$80,000 and median net worth was \$274,900. Nonmarried individuals aged 65 or older had median financial assets of \$18,000 and a median net worth of \$91,600 (VB). As these figures indicate, asset amounts vary greatly by marital status and age with some groups having very little accumulated in old age. Both financial assets and net worth increased considerably from 1998 to 2001 for all age groups of married couples, and generally increased less or declined for nonmarried persons. Financial assets declined for nonmarried individuals aged 55-64 and net worth declined for nonmarried individuals aged 65 and over.

VB. Median Family Financial Assets and Total Net Worth (in 2001 dollars)

Year	Total	Financial Assets					
		Married			Nonmarried		
		25-54	55-64	65 or older	25-54	55-64	65 or older
1998	21,404	23,908	64,104	68,776	5,204	19,014	17,167
2001	25,600	34,000	81,000	80,000	7,600	17,300	18,000

Year	Total	Net Worth					
		Married			Nonmarried		
		25-54	55-64	65 or older	25-54	55-64	65 or older
1998	85,671	88,952	220,886	236,423	18,775	77,685	95,178
2001	97,500	112,000	266,900	274,900	21,000	80,540	91,600

Note: Financial assets in the Survey of Consumer Finances include transaction accounts, certificates of deposit, bonds, stocks, mutual funds, tax-deferred retirement accounts (IRAs, Keoghs, and certain employer-sponsored accounts from which withdrawals can be made), the cash value of life insurance, and other assets such as personal annuities, trusts, and royalties. Net worth, in addition to financial assets, includes the equity in homes, nonresidential property, businesses, vehicles, and other tangible items. Asset levels vary greatly, depending on the survey and the definition used. For example, the Survey of Income and Program Participation does not include tax-deferred retirement accounts or the cash value of life insurance in assets. SSA is sponsoring a study of these differences.

Source: Survey of Consumer Finances, 1998-2001.

In summary, the outcome indicators help us understand the impact of SSA programs, individual work choices, and other factors on income security.

I. Program Coverage and Eligibility

- Labor force participation is the foundation of economic security for most.
- Coverage for disability is lower for women than for men.
- One-third of women receive benefits only as wives or widows.
- Another 29 percent of women are entitled to a worker benefit but also receive a supplement because their spouse benefit is higher than their worker benefit.

II. Benefit Adequacy and Equity

- Poverty rates have generally declined but still vary greatly across age groups.
- Children in beneficiary families and adult beneficiaries between ages 18 and 64 are more likely to be poor than are beneficiaries 65 and older.
- The current benefit formula provides higher replacement rates to low earners but higher benefits to those with higher incomes.

III. Reliance on Social Security

- About half of beneficiary families receive 50 percent or more of their income from Social Security.
- Reliance on Social Security is higher for older and lower-income beneficiaries.

IV. Return-to-Work Opportunities Among Persons With Disabilities

- About 14 percent of DI beneficiaries and 6 percent of SSI disabled beneficiaries work.
- Less than 1 percent of DI and SSI disabled beneficiaries worked enough to lose benefits.

V. Private Provision for Retirement

- About half of today's workers have pension coverage.
- Increasingly, these plans are defined contribution plans, which provide the potential of higher returns together with individual risk.
- Levels of financial assets and net worth have been growing but indicate that many people have little private savings to supplement Social Security.