

# INCOME OF THE AGED CHARTBOOK, 2008

**Social Security Administration**  
Office of Retirement and Disability Policy  
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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 2008 data, which, along with special tabulations, form the basis of this chartbook.

This publication covers the population aged 65 or older. The unit of analysis here, with the exception of measures of poverty and family income of persons, is the aged unit, which is a married couple living together or a person who does not live with a spouse. A married couple's age is defined as the age of the husband—unless he is under age 55 and the wife is 55 or older, in which case it is the age of the wife. The race and Hispanic origin of a married couple are determined by the husband. The unit of analysis for poverty is persons aged 65 or older.

The 2008 sample represented 11,844,000 couples and 17,077,000 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.

Lynn Fisher and Brad Trenkamp prepared this chartbook. Staff of the Division of Information Resources edited the report and prepared it for publication. This chartbook and its companion publication, *Income of the Population 55 or Older*, are available on our Web site at <http://www.socialsecurity.gov/policy>.

Your suggestions and comments on this report are welcome. Any suggestions, comments, or questions related to the content of the charts should be directed to [inc.aged@ssa.gov](mailto:inc.aged@ssa.gov). For additional copies, e-mail [op.publications@ssa.gov](mailto:op.publications@ssa.gov).

Manuel de la Puente  
Associate Commissioner  
for Research, Evaluation, and Statistics  
April 2010

## Income Sources

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**Asset income** includes interest, dividends, income from estates or trusts, and net rental income or royalties.

**Cash public assistance** includes Supplemental Security Income and other cash public assistance payments low-income people receive, such as Aid to Families with Dependent Children (AFDC, ADC), temporary assistance to needy families (TANF), general assistance, and emergency assistance.

**Earnings** is the sum of income from wages and salaries and income from self-employment.

**Noncash benefits** include Food Stamps, energy assistance, and housing assistance. Noncash benefits are not included as money income for public assistance or total income.

**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, dependent or survivor benefits, disability benefits, transitionally insured benefits, and special age-72 benefits.

**Pensions** include regular payments from private pensions and annuities; government employee pensions; Railroad Retirement; and individual retirement accounts (IRAs), Keoghs, and 401(k) plans. Irregular withdrawals (lump-sum payments) from IRAs, Keoghs, and 401(k) plans are not included in the data because they do not fit the Census Bureau's definition of money income.

## Income

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**Total money income** is the sum of all income received by the aged unit before any deductions such as 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. Total money income does not include capital gains or losses, or irregular withdrawals (lump-sum payments) from IRAs, Keoghs, or 401(k) plans.

**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.

## Source of Data

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Data for this series are from the March Current Population Survey (CPS) of the U.S. Census Bureau. The CPS samples a large cross section of households in the United States each year (approximately 97,000 in March 2009). The March supplement gathers detailed information on income and labor force participation of each person 15 years of age or older in the sample households.

## General Notes

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This publication covers the population aged 65 or older. The unit of analysis here, with the exception of the measures of poverty and family income of persons, is the aged unit, which is a married couple living together or a person who does not live with a spouse. A married couple's age is defined as the age of the husband—unless he is under age 55 and the wife is 55 or older, in which case it is the age of the wife. The race and Hispanic origin of a married couple are determined by the husband. The unit of analysis for family income of persons and poverty is persons aged 65 or older.

Beginning with data for 2002, respondents may identify themselves in more than one racial group. The "White alone" and "Black alone" categories reflect respondents who reported only one race.

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.

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### **Errata Policy**

If there are any additions or corrections to the data published herein, they will be posted as errata on the Web at [http://www.socialsecurity.gov/policy/docs/chartbooks/income\\_aged/2008/index.html](http://www.socialsecurity.gov/policy/docs/chartbooks/income_aged/2008/index.html).

# Total Money Income

- ▶ The demographic composition of the elderly changes with age.
- ▶ 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 median income for units aged 65 or older.
- ▶ Median real income has risen substantially over the years.

## The demographic composition of the elderly changes with age.

Aged units 65 to 69 are the most likely to be married couples (52.6%), while aged units 80 or older are most likely to be nonmarried women (56.7%). The younger age groups also have a greater proportion of minorities than the older cohorts.

### Percentage distribution of aged units 65 or older, 2008

	65 or older	65–69	70–74	75–79	80 or older
Marital status and sex					
Married couples	41.0	52.6	47.1	39.1	26.6
Nonmarried men	15.8	15.5	14.0	16.8	16.7
Nonmarried women	43.3	31.9	38.9	44.1	56.7
Race					
White alone	85.6	83.8	84.2	85.1	88.6
Black alone	9.6	10.3	10.7	10.0	7.7
Asian alone	3.3	3.9	3.0	3.8	2.7
Hispanic origin	7.3	8.4	8.2	7.1	5.9
Total number of aged units (thousands)	28,921	8,333	6,215	5,700	8,673

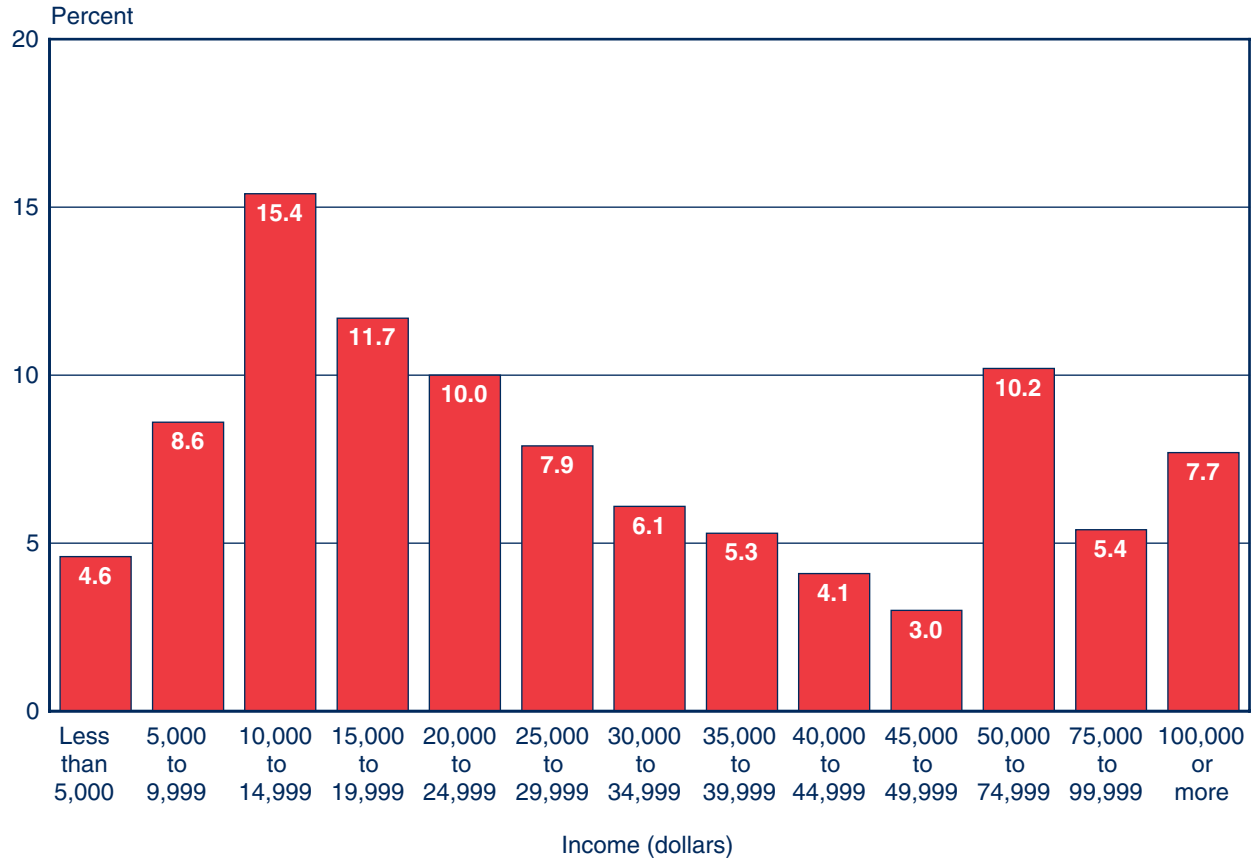
NOTE: Totals do not necessarily equal the sum of the rounded components.



## The aged are an economically diverse group.

The median income for units aged 65 or older is \$24,857, but there are wide differences within the total group. Approximately 13% have an income of under \$10,000, and roughly 23% have an income of \$50,000 or more.

Percentage with various levels of income, 2008

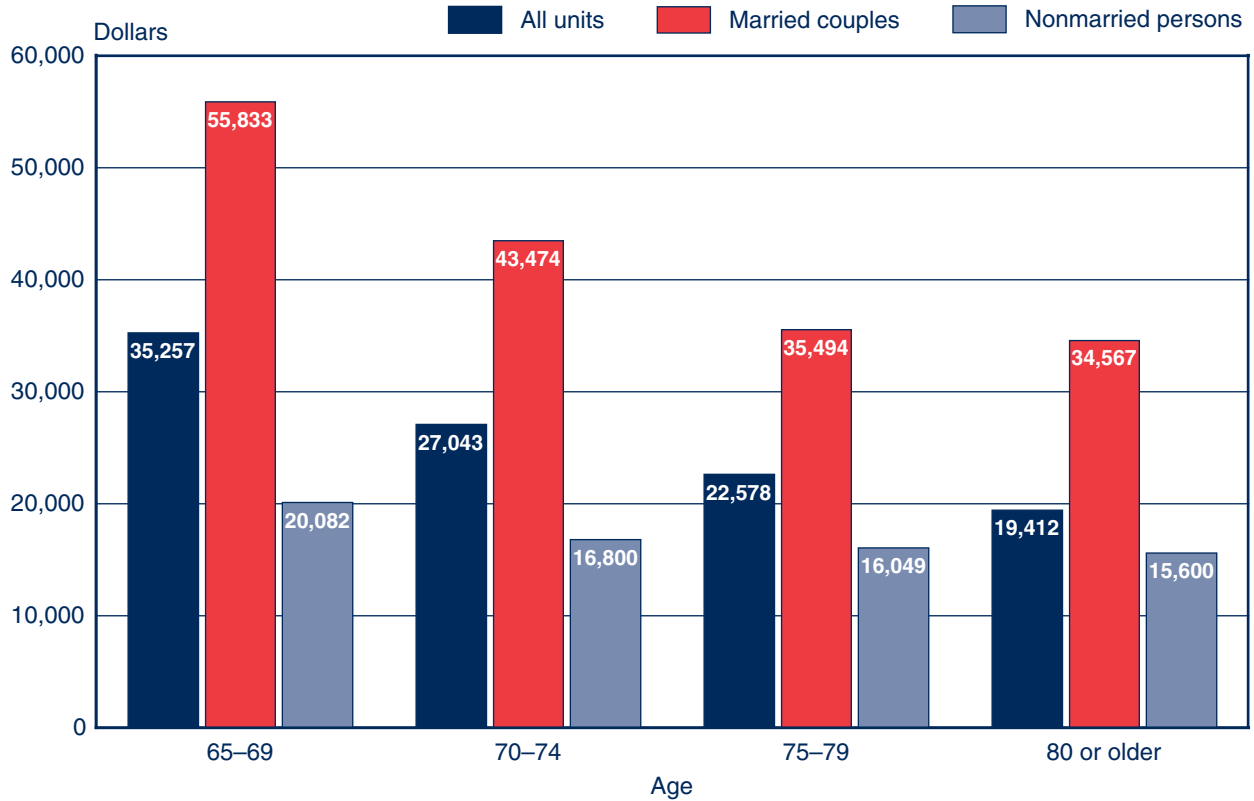


NOTE: Totals do not necessarily equal the sum of the rounded components.

## 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.

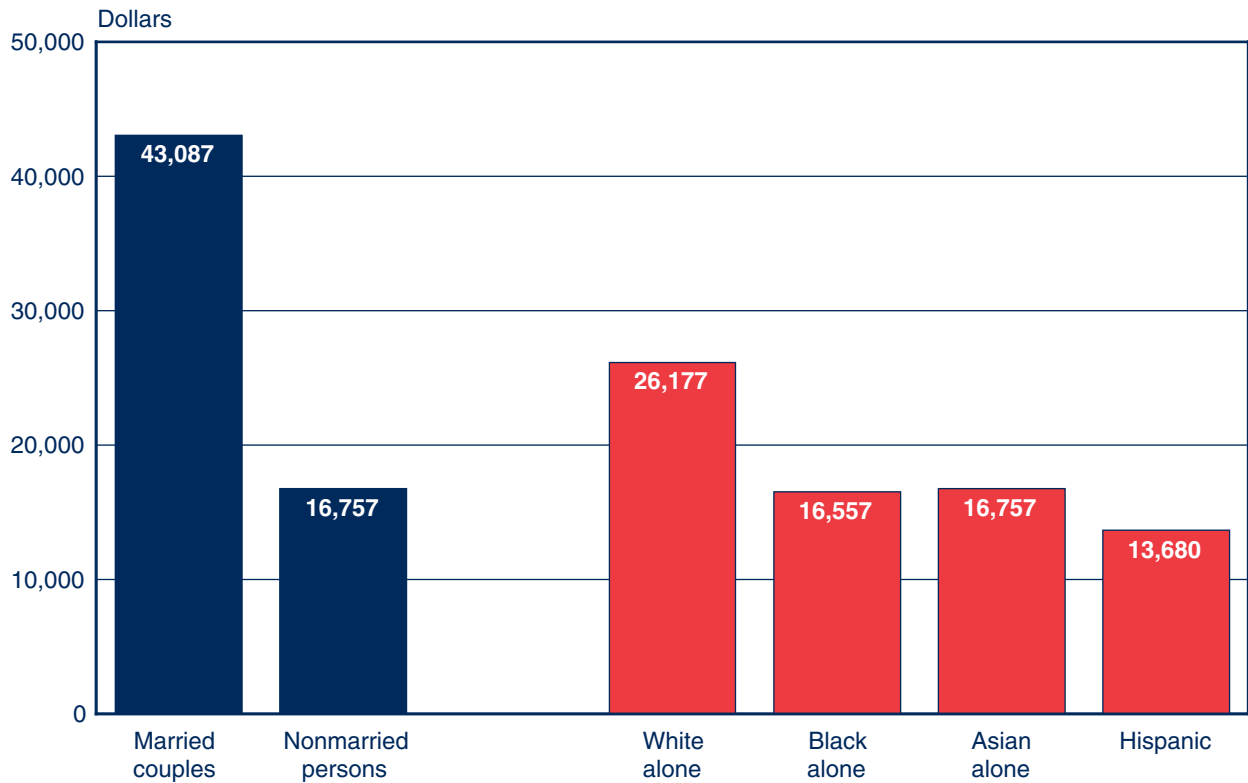
Median income, by age and marital status, 2008



## Demographic differences are associated with different levels of median income for units aged 65 or older.

Income is highest for married couples, who have a median income more than 2½ times that of nonmarried persons. Median income of white aged units is greater than that of Asian aged units and black aged units by almost three-fifths (56 and 58 percent, respectively).

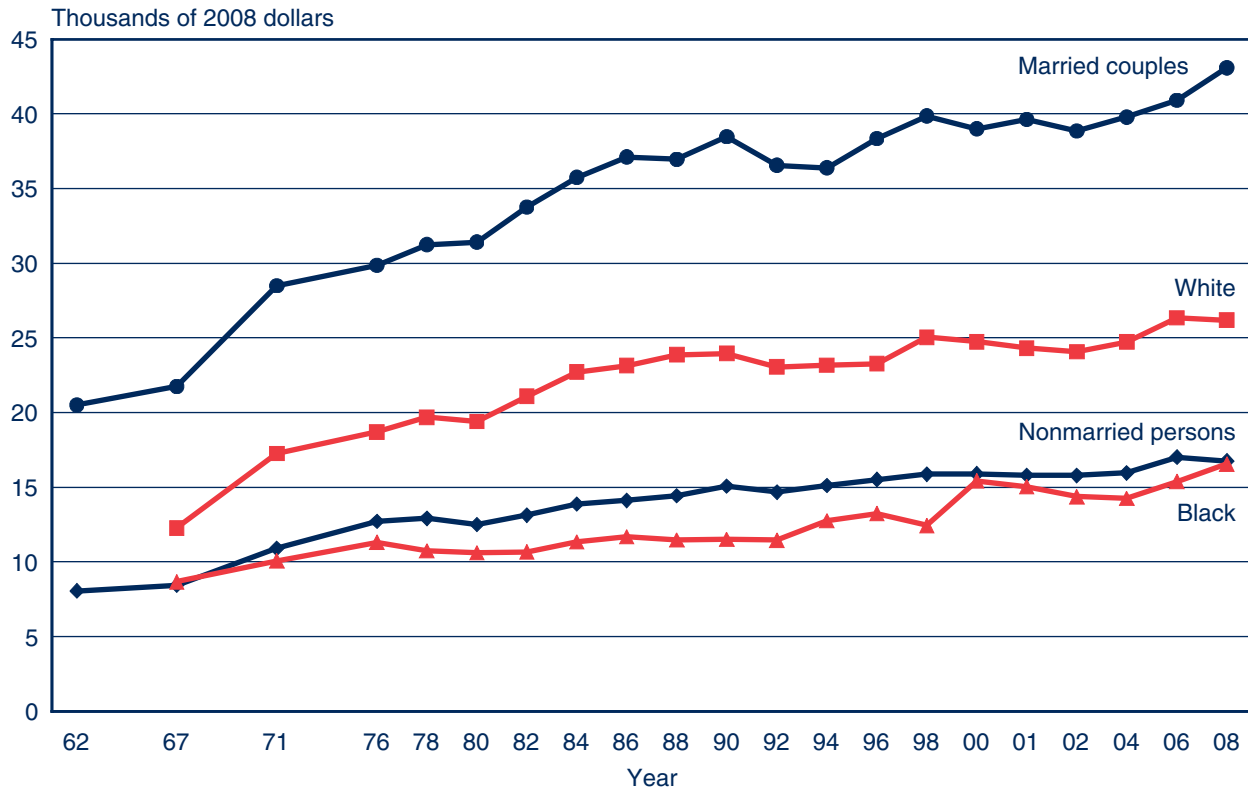
Median income, by marital status, race, and Hispanic origin, 2008



## Median real income has risen substantially over the years.

Between 1962 and 2008, the income of units aged 65 or older increased even when adjusted for inflation. The increase was 110.2% for married couples and 108.0% for nonmarried persons. There were disproportionate increases by race. Between 1967 and 2008, the income of whites increased by 113.5%; that of blacks increased by 91.1%.

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



NOTE: A table presenting detailed data underlying the above chart is available at [http://www.socialsecurity.gov/policy/docs/chartbooks/income\\_aged/2008/text\\_c06.html](http://www.socialsecurity.gov/policy/docs/chartbooks/income_aged/2008/text_c06.html).

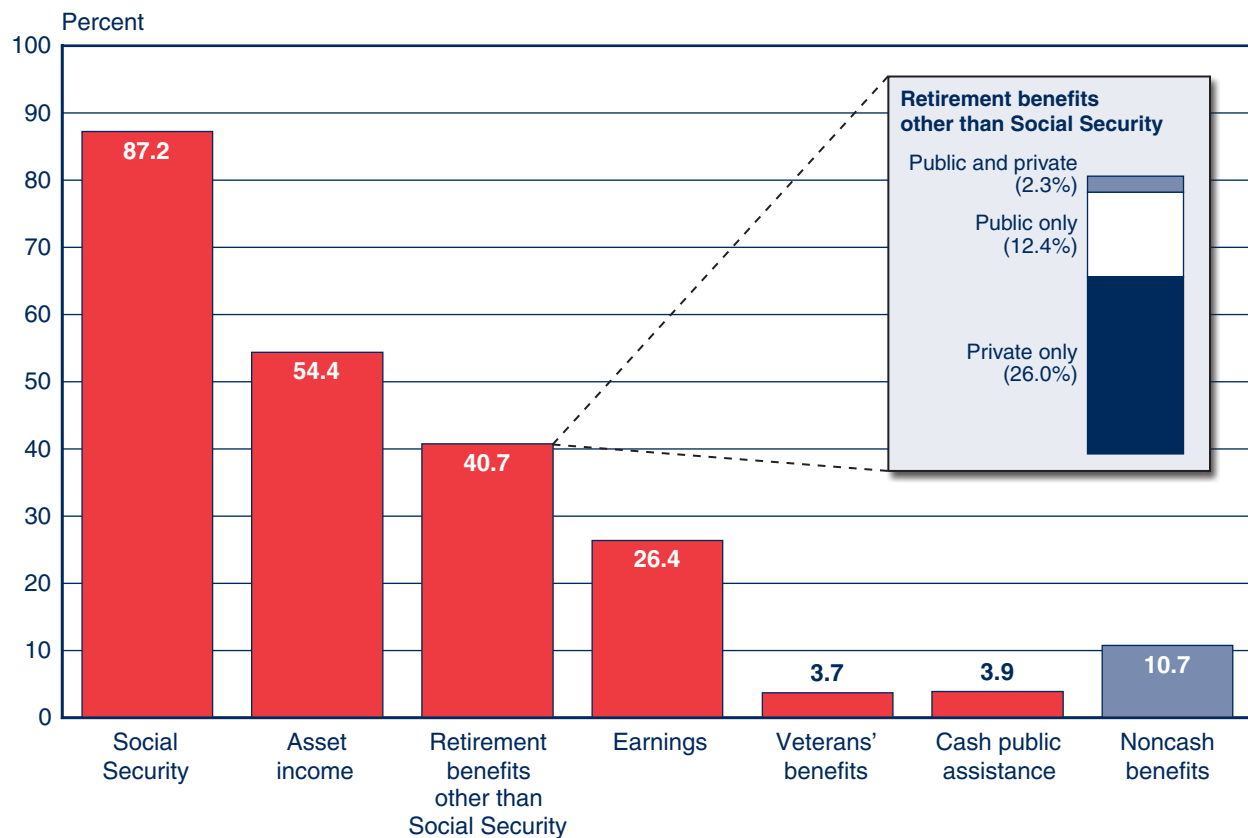
# Income Sources

- ▶ **Social Security is the most common source of income for units aged 65 or older.**
- ▶ **Social Security provides at least half of total income for a majority of beneficiary aged units.**
- ▶ **Age groups differ in their likelihood of receiving earnings, but not pensions.**
- ▶ **Receipt of income from major sources varies by race and Hispanic origin.**
- ▶ **Receipt of Social Security has become nearly universal.**
- ▶ **Receipt of asset income is associated with relatively high median income.**
- ▶ **Receipt of earnings and retirement benefits also affects total income.**

## Social Security is the most common source of income for units aged 65 or older.

Nearly 9 out of 10 aged units receive Social Security benefits. Asset income is the next most common source of income, received by more than half of the aged. Two-fifths receive retirement benefits other than Social Security, and more than one-quarter have earnings. Public assistance and veterans' benefits are each received by less than 4%. Noncash benefits, including food stamps and housing and energy assistance, are received by almost 11%.

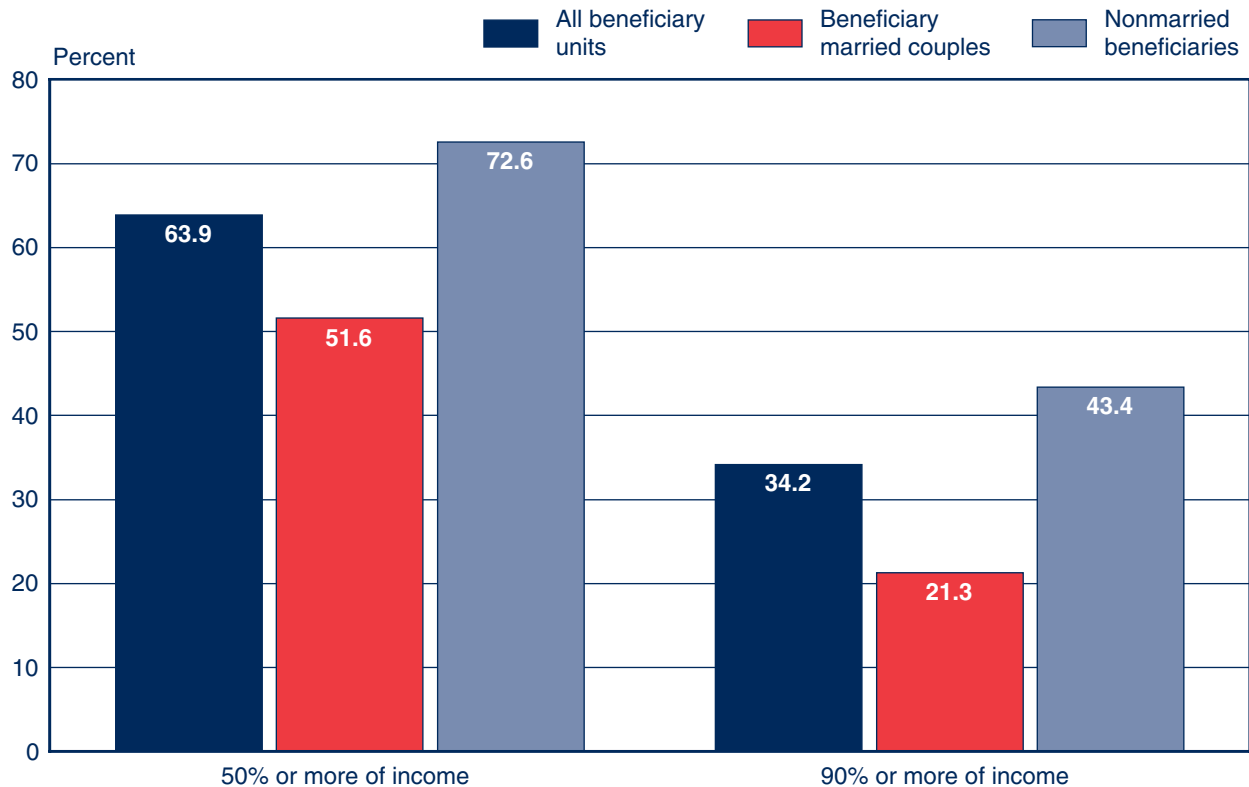
Percentage receiving income from specified source, 2008



## Social Security provides at least half of total income for a majority of beneficiary aged units.

In 2008, 88.4% of married couples and 86.3% of nonmarried persons aged 65 or older received Social Security benefits. Social Security was the major source of income (providing at least 50% of total income) for 51.6% of aged beneficiary couples and 72.6% of aged nonmarried beneficiaries. It was 90% or more of income for 21.3% of aged beneficiary couples and 43.4% of aged nonmarried beneficiaries. Total income excludes withdrawals from savings and lump-sum payments from IRAs or 401(k)s; it also excludes in-kind support, such as food stamps and housing and energy assistance.

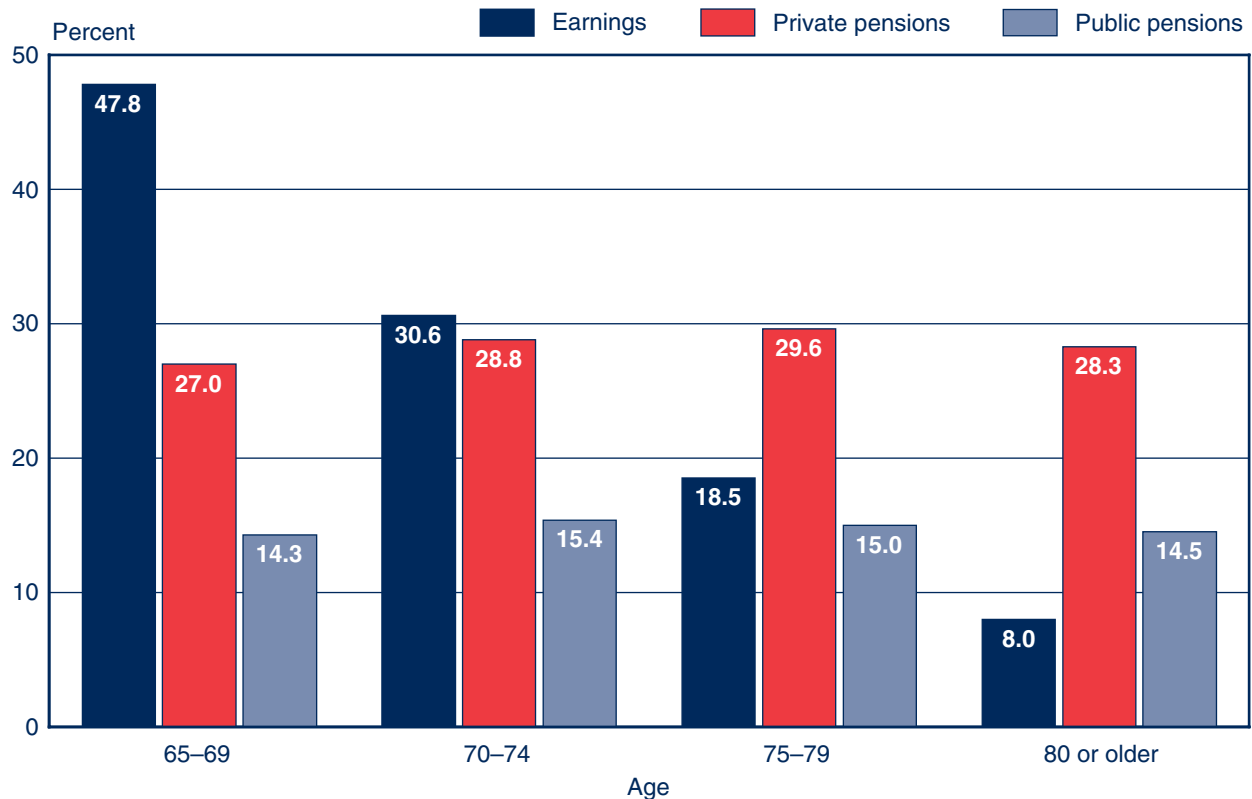
### Percentage of aged beneficiary units receiving Social Security benefits, by relative importance of benefits to total income, 2008



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

Earnings are received by a greater percentage of aged units in the youngest group than in the oldest group—47.8% compared with 8.0%. In all age groups, there is little difference in the likelihood of having a public or private pension.

Percentage receiving income from earnings and pensions, by age, 2008

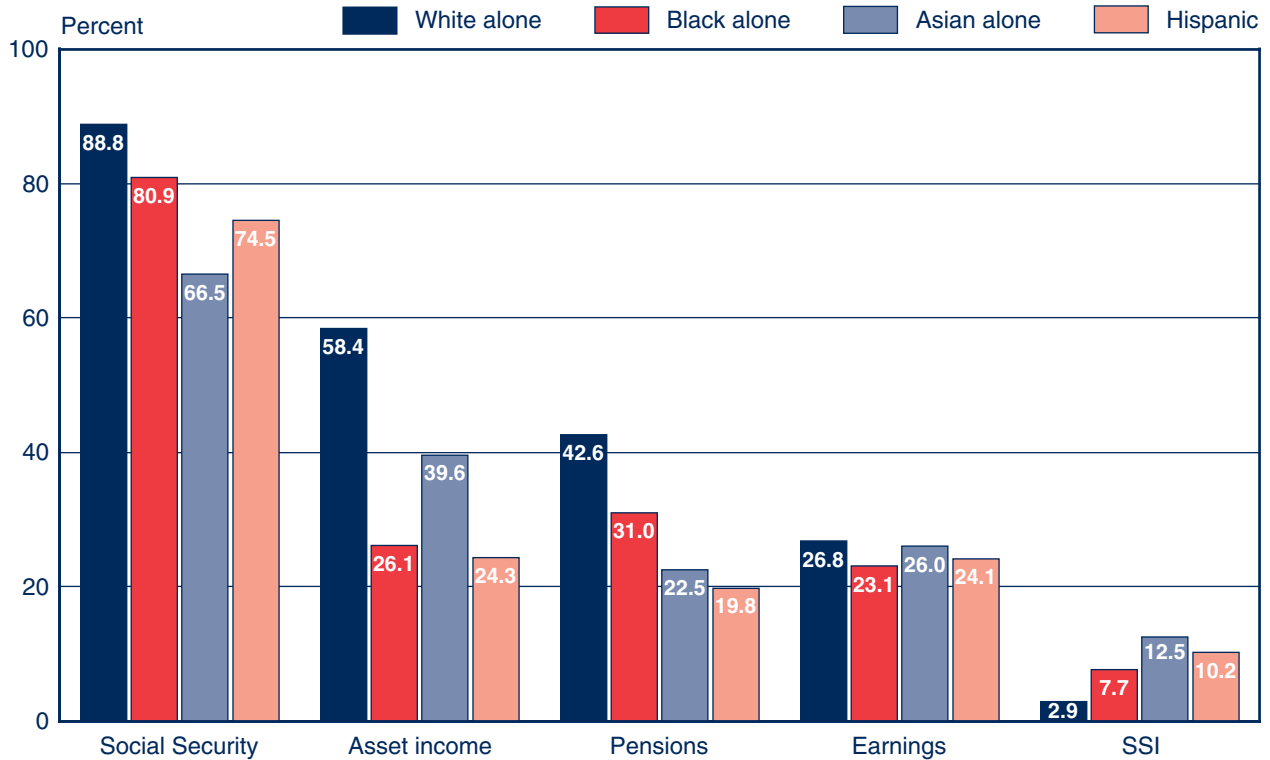




## Receipt of income from major sources varies by race and Hispanic origin.

Among units aged 65 or older, whites are more likely than Asians, blacks, or Hispanics to receive Social Security, pensions, and income from assets. Receipt of earnings varies little by race and Hispanic origin. Minority aged units are more likely to receive Supplemental Security Income (SSI) than are whites.

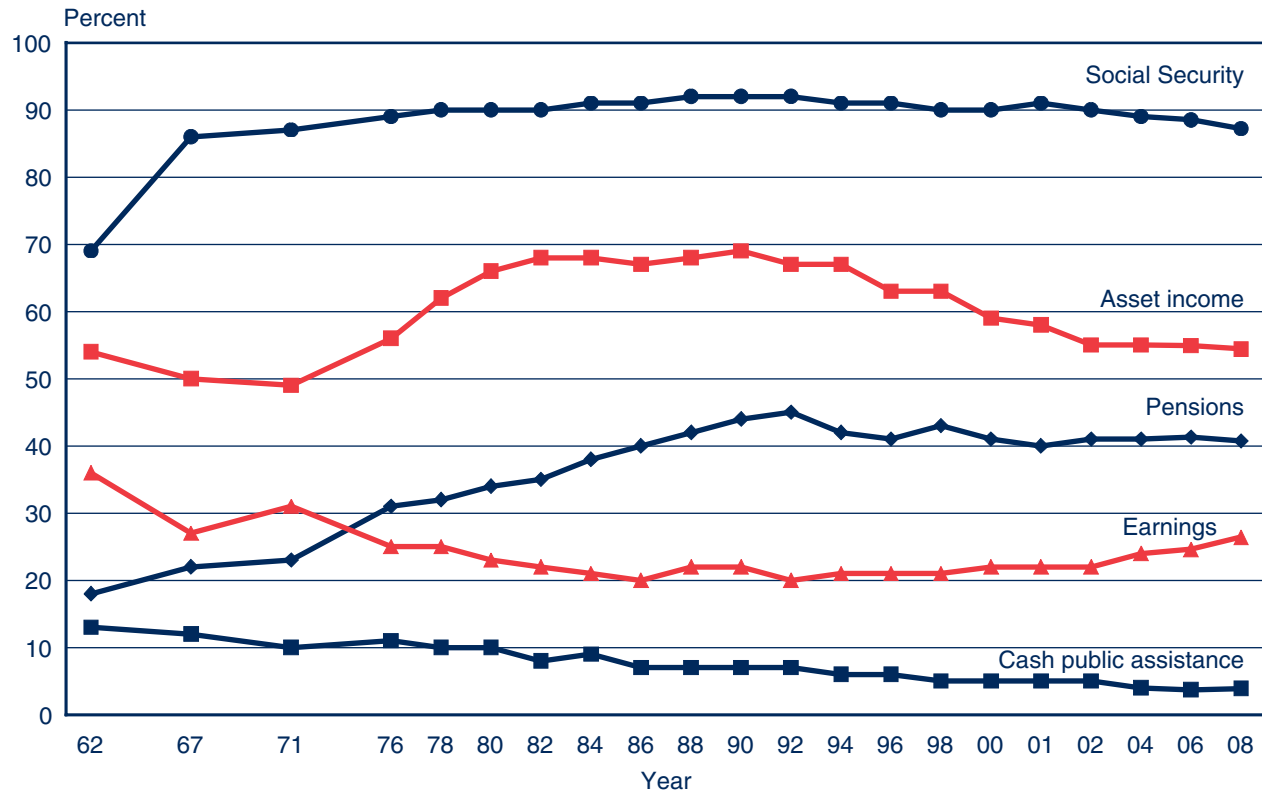
Percentage receiving income from major sources, by race and Hispanic origin, 2008



## Receipt of Social Security has become nearly universal.

In 1962, 69% of units aged 65 or older received Social Security benefits; in 2008, 88% 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 1990 and leveled off since 2000. The proportion with earnings has declined since 1971 and has been between 20% and 25% since 1980. 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

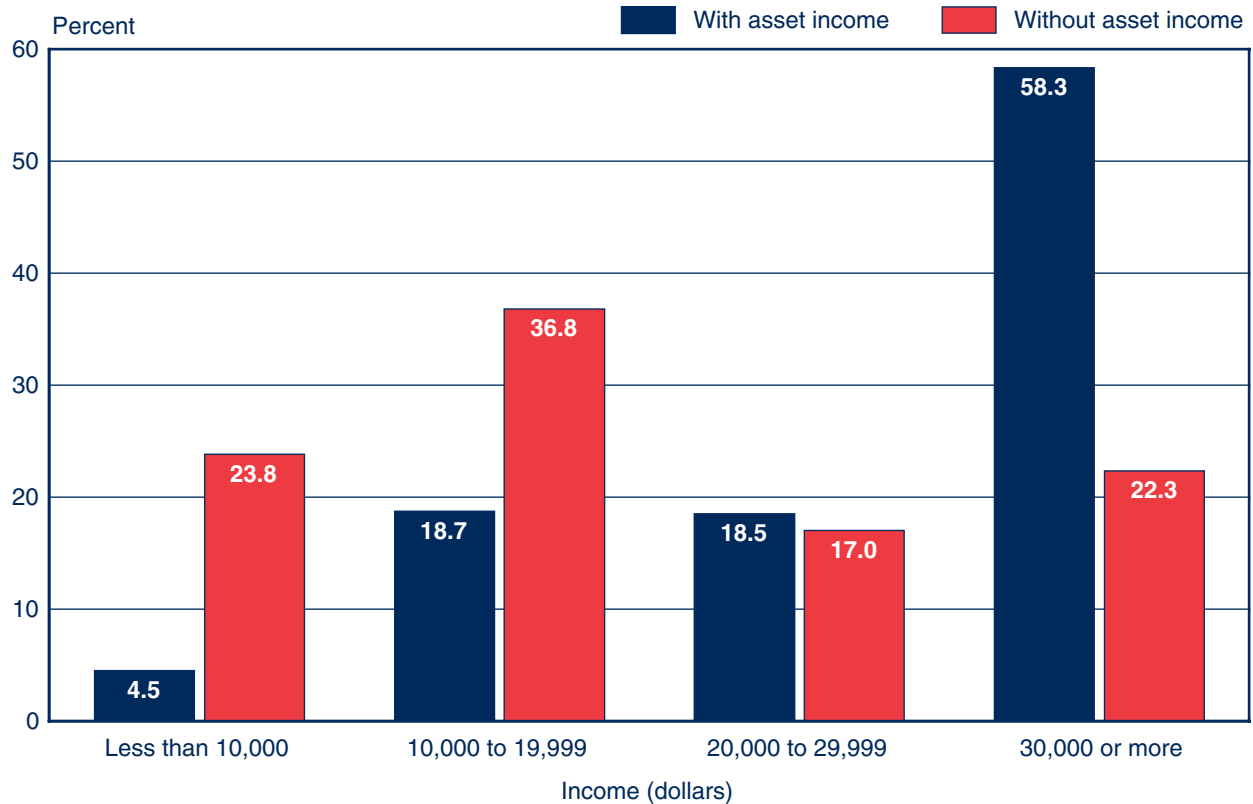


NOTE: A table presenting detailed data underlying the above chart is available at [http://www.socialsecurity.gov/policy/docs/chartbooks/income\\_aged/2008/text\\_c12.html](http://www.socialsecurity.gov/policy/docs/chartbooks/income_aged/2008/text_c12.html).

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

The median income of units aged 65 or older with asset income is more than twice that of those with no asset income (\$35,510 compared with \$15,600). Aged units with no asset income are concentrated in the lowest income categories—one-fourth have a total income below \$10,000, and approximately one-fifth have an income of \$30,000 or more. Among aged units with asset income, 5% have a total income of less than \$10,000, and over half have an income of \$30,000 or more.

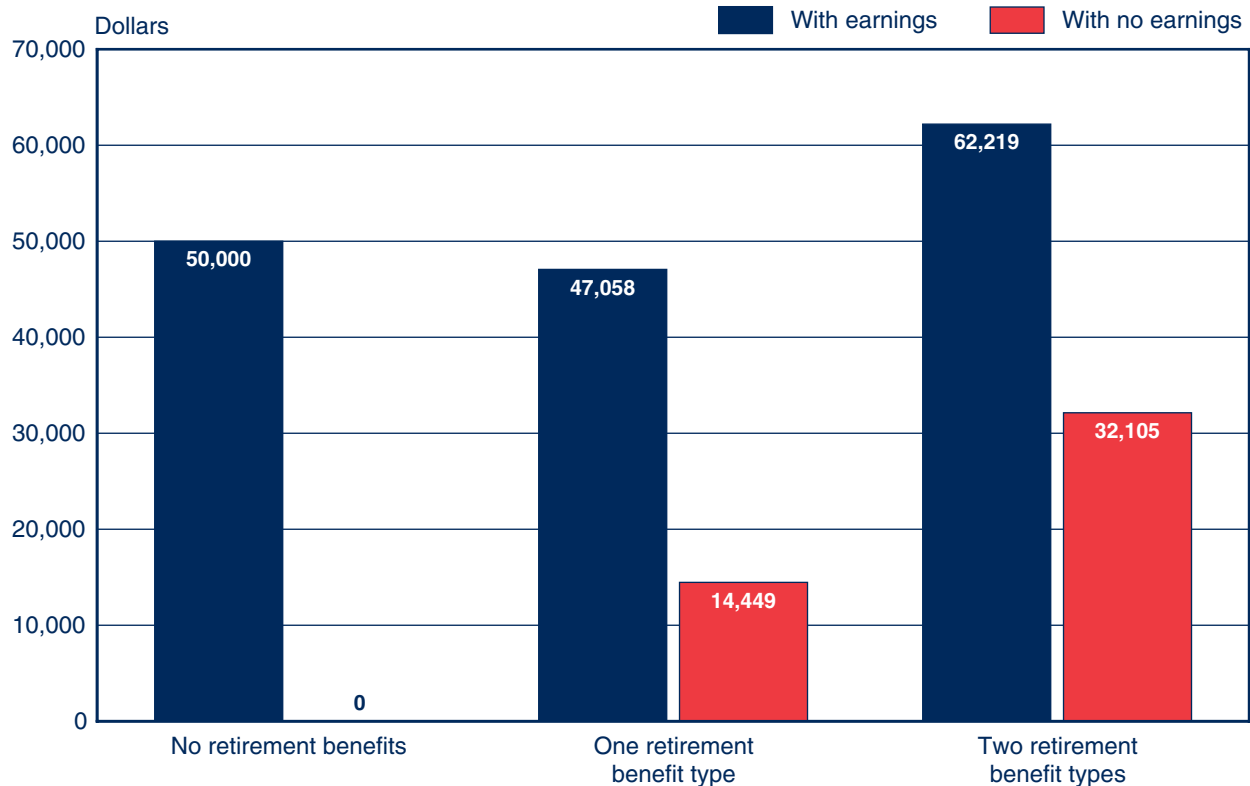
### Percentage with various levels of income, by receipt of asset income, 2008



## Receipt of earnings and retirement benefits also affects total income.

About 10.0% of units aged 65 or older have no retirement benefits. Of those, 50.6% have earnings, and their median income is \$50,000; 49.4% have no earnings, and their median income is \$0. In the absence of earnings, median income rises markedly with the number of retirement benefit types received, from \$14,449 with one retirement benefit type to \$32,105 with two. For units with both earnings and retirement benefits, median income is \$47,058 for those with one retirement benefit type and \$62,219 for those with two.

**Median income, by receipt of earnings and retirement benefits, 2008**



NOTE: Retirement benefit types are Social Security, Railroad Retirement, government pension, and private pension or annuity.

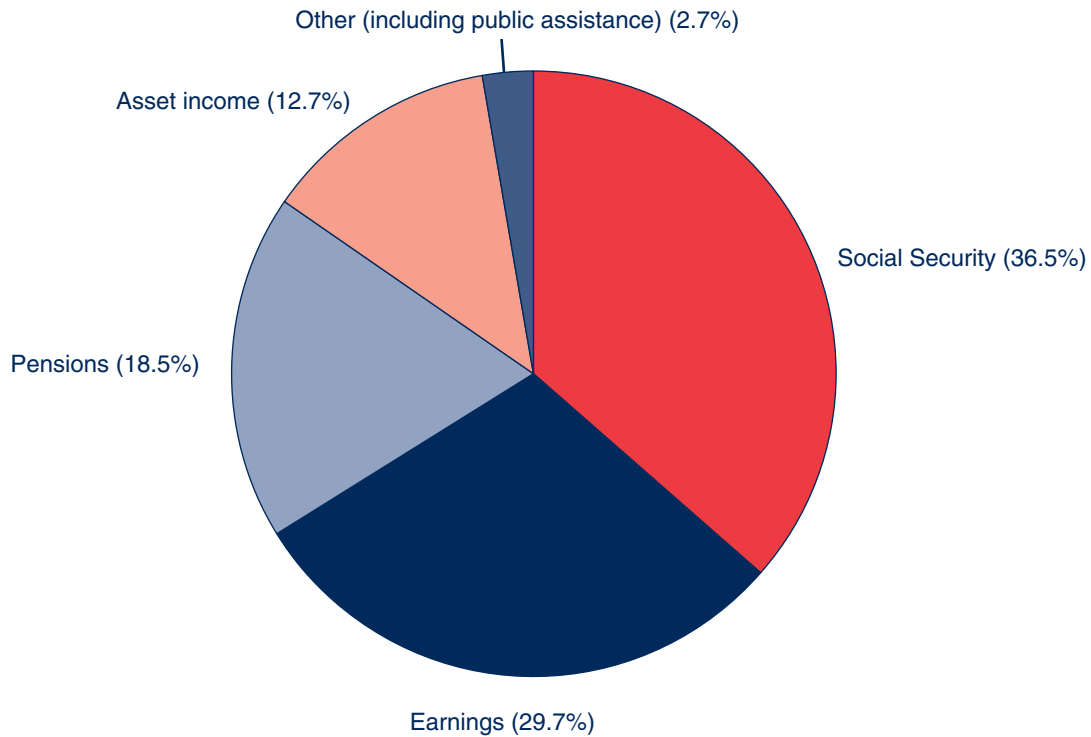
# Shares of Aggregate Income

- ▶ Social Security provides the largest share of aggregate income for units aged 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 units aged 65 or older.

## Social Security provides the largest share of aggregate income for units aged 65 or older.

Aggregate income for the aged population comes largely from four sources. Social Security accounts for 36.5%, earnings for 29.7%, pensions for 18.5%, and asset income for 12.7%. Only 2.7% comes from other sources.

Shares of aggregate income, by source, 2008

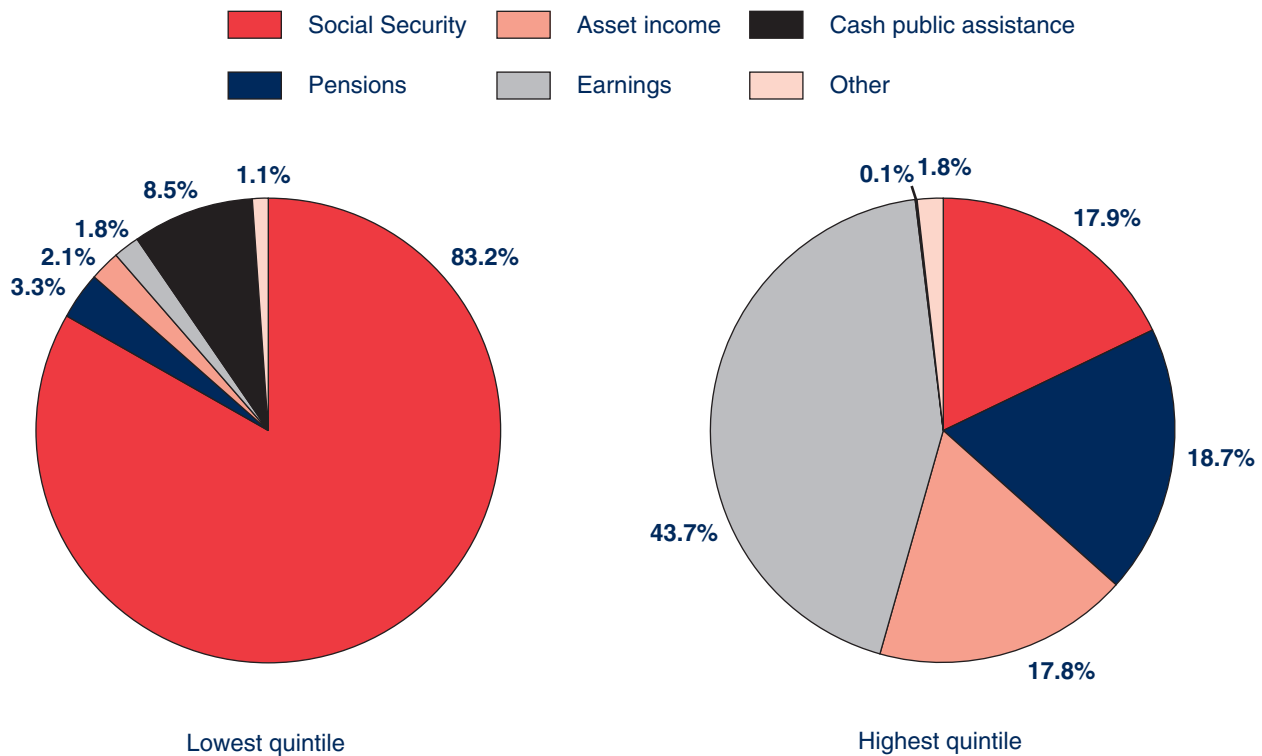


NOTE: Totals do not necessarily equal the sum of the rounded components.

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

Units aged 65 or older are ranked by total money income and divided into five groups of equal size called quintiles. The largest share of income for units in the lowest quintile comes from Social Security benefits (83.2%), and cash public assistance provides the second largest share (8.5%). For units in the highest income quintile, earnings provide the largest share of income (43.7%). Pensions, Social Security, and asset income (18.7%, 17.9%, and 17.8%) are similar in importance.

Shares of aggregate income for the lowest and highest income quintiles, by source, 2008



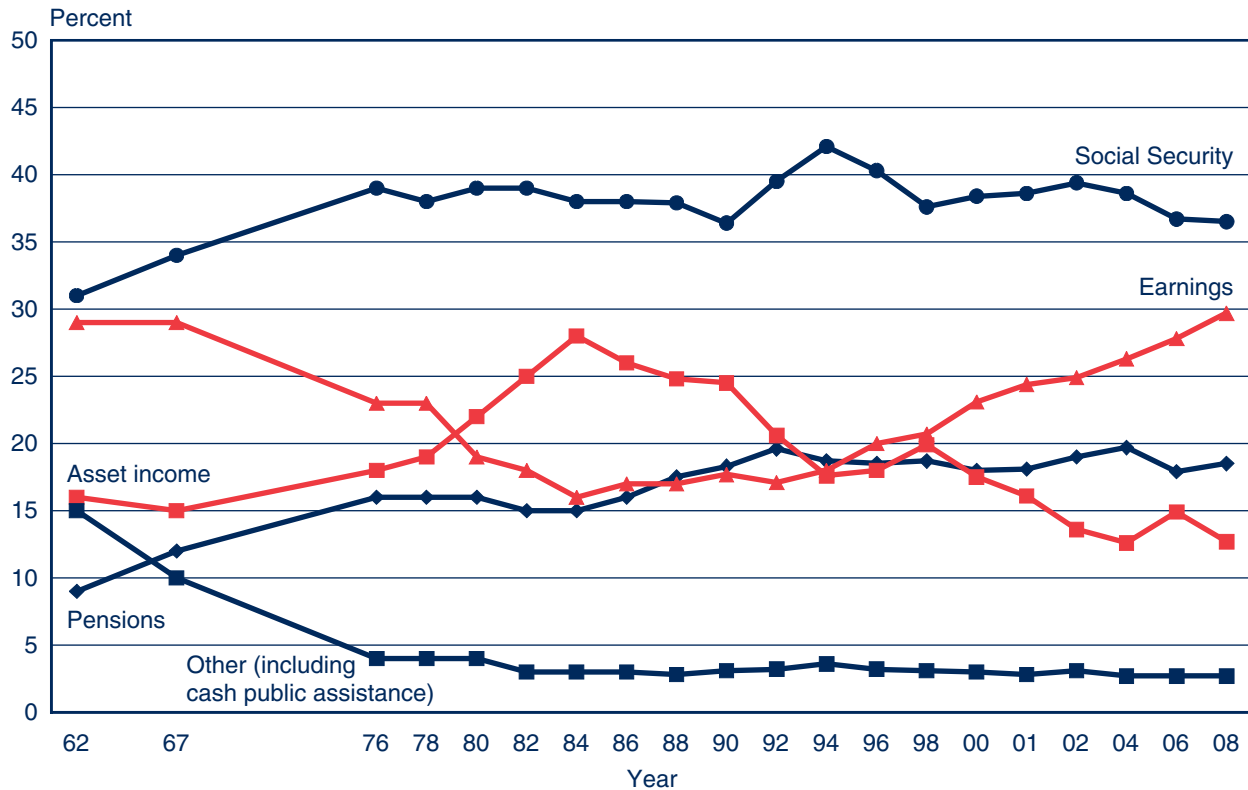
NOTES: The quintile limits for aged units for 2008 are \$12,082, \$19,877, \$31,303, and \$55,889.

Totals do not necessarily equal the sum of the rounded components.

## Over time, Social Security has provided the largest share of aggregate income for units aged 65 or older.

In 1962, it provided the largest share, followed closely by earnings. In 2008, Social Security continued to provide the largest share, but by a 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 generally increasing since then. The share from pensions had doubled by the early 1990s but has since leveled off.

Shares of aggregate income, by source, selected years



NOTES: Totals do not necessarily equal the sum of the rounded components.

A table presenting detailed data underlying the above chart is available at [http://www.socialsecurity.gov/policy/docs/chartbooks/income\\_aged/2008/text\\_c18.html](http://www.socialsecurity.gov/policy/docs/chartbooks/income_aged/2008/text_c18.html).



# Family Income of Persons 65 or Older

- ▶ The demographic composition of the elderly varies across age groups.
- ▶ The aged are an economically diverse group.
- ▶ Family total income varies by age and sex.
- ▶ Family median income varies by sex, race, and Hispanic origin.
- ▶ Family income sources vary by sex.
- ▶ Social Security was the major source of family total income for slightly more than half of persons 65 or older in families receiving benefits.

## The demographic composition of the elderly varies across age groups.

The proportion of men to women differs little for ages 65–69, but women 80 or older greatly outnumber men 80 or older. Persons 65–69 are nearly twice as likely to be married than nonmarried, but more than half of persons 80 or older are widowed. Racial and ethnic composition varies across age cohorts as well; the younger cohorts are represented by larger proportions of minorities than the older cohorts. Approximately one-fifth of elderly persons live with nonspouse family, consistent across age categories.

### Percentage distribution of persons 65 or older, 2008

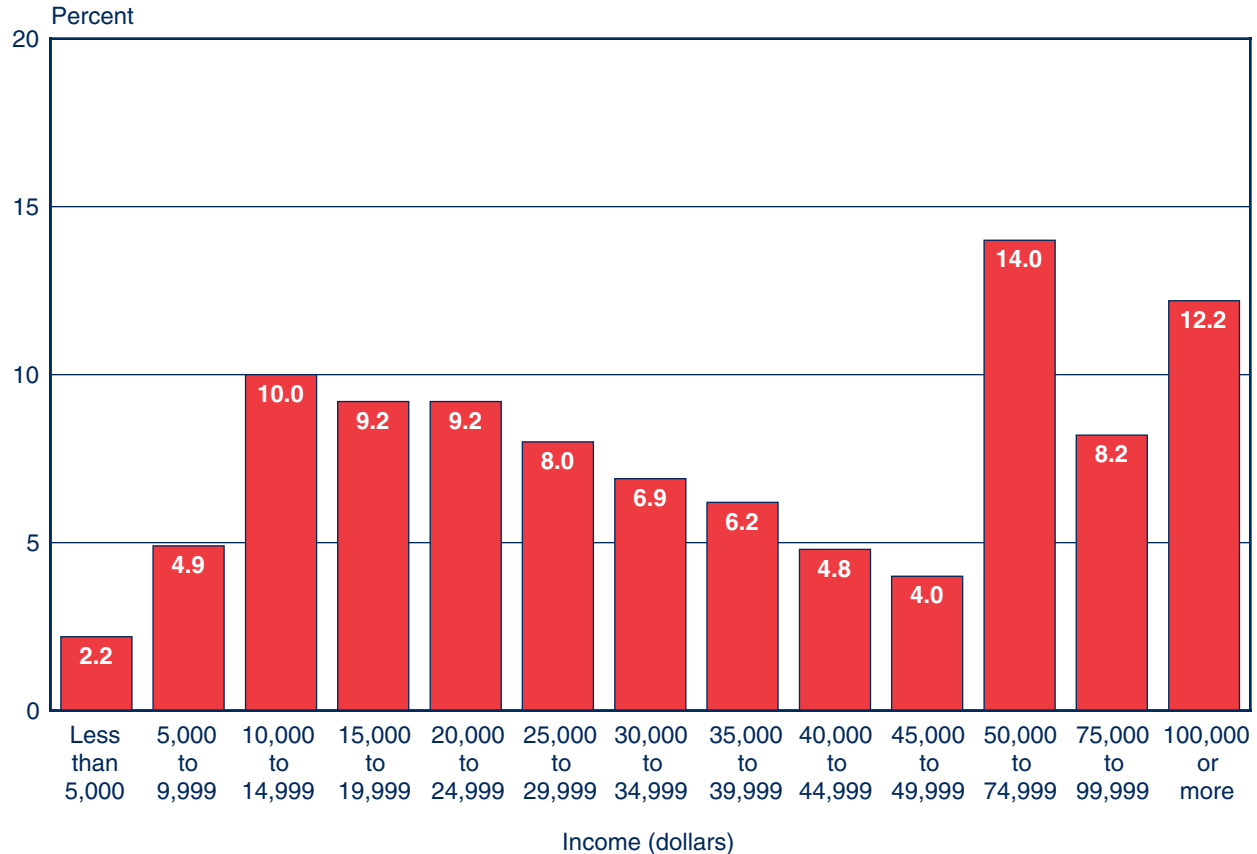
	65 or older	65–69	70–74	75–79	80 or older
<b>Sex</b>					
Men	43.2	47.6	43.9	43.2	37.2
Women	56.8	52.4	56.1	56.8	62.8
<b>Marital status</b>					
Married	54.8	66.6	61.7	52.6	36.7
Nonmarried	45.2	33.4	38.3	47.4	63.3
Widowed	29.0	12.3	20.8	33.4	52.6
Divorced	9.6	13.9	11.0	7.7	4.9
Never married	4.2	4.6	4.3	4.1	3.7
<b>Race</b>					
White alone	86.6	85.3	85.4	86.4	89.1
Black alone	8.5	8.9	9.4	8.9	7.2
Asian alone	3.4	3.9	3.3	3.5	2.8
Hispanic origin	7.2	8.0	7.9	7.0	5.8
Living with nonspouse family	21.3	22.0	21.0	20.6	21.2
<b>Total number of aged persons (thousands)</b>	<b>37,788</b>	<b>11,825</b>	<b>8,579</b>	<b>7,329</b>	<b>10,054</b>

NOTE: Totals do not necessarily equal the sum of the rounded components.

## The aged are an economically diverse group.

The median family income for persons aged 65 or older is \$34,568, but there are wide differences within the total group. Approximately 7.1% have family income of under \$10,000, and roughly 34.4% have family income of \$50,000 or more.

Percentage with various levels of family income, 2008



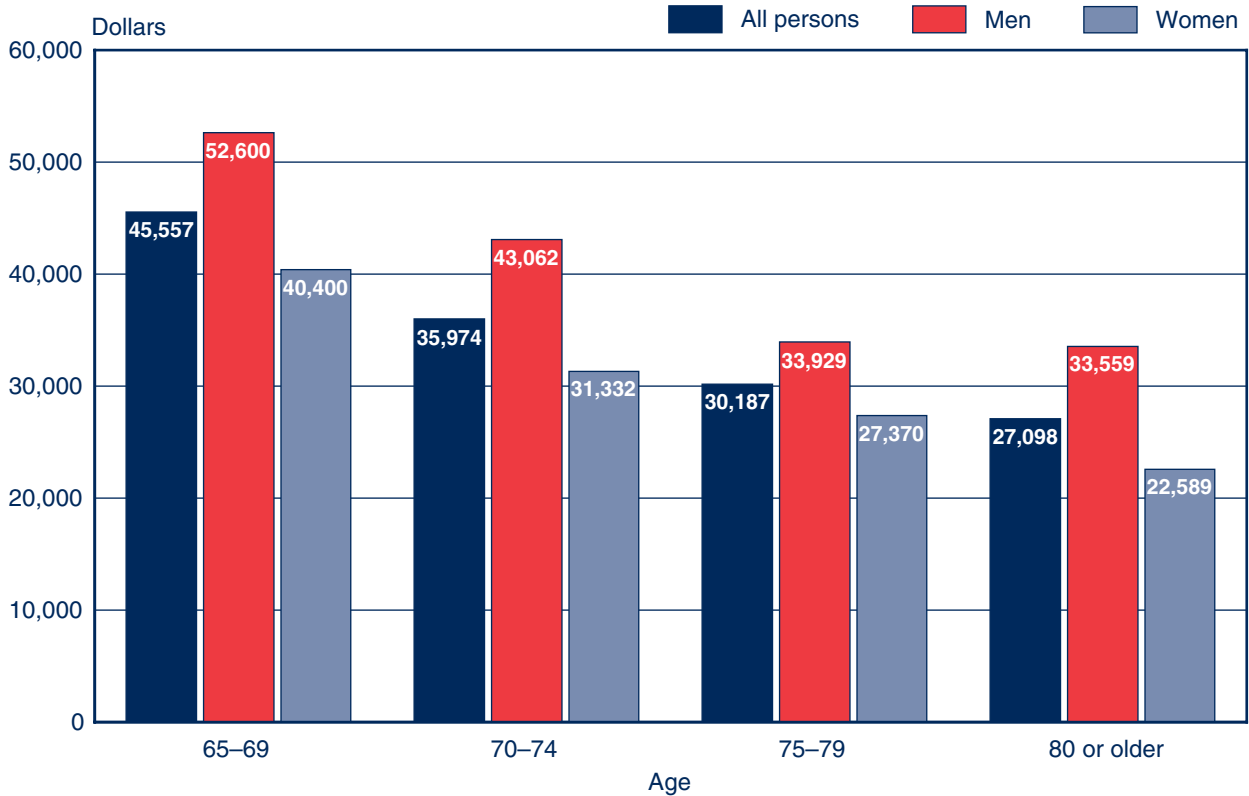
NOTES: Totals do not necessarily equal the sum of the rounded components.

Family income of persons 65 or older tends to be higher than the income of aged units 65 or older because it includes income from all family members, not just a spouse. In addition, each elderly person counts individually rather than as part of a marital unit; statistics based on aged units give greater weight to nonmarried persons as compared to statistics based on persons.

## Family total income varies by age and sex.

Median family total income is highest for the youngest cohorts. In addition, in all age groups, women have lower median family total income than men, from \$40,400 for woman aged 65 to 69 to \$22,589 for women aged 80 or older.

Median family income, by sex and age, 2008

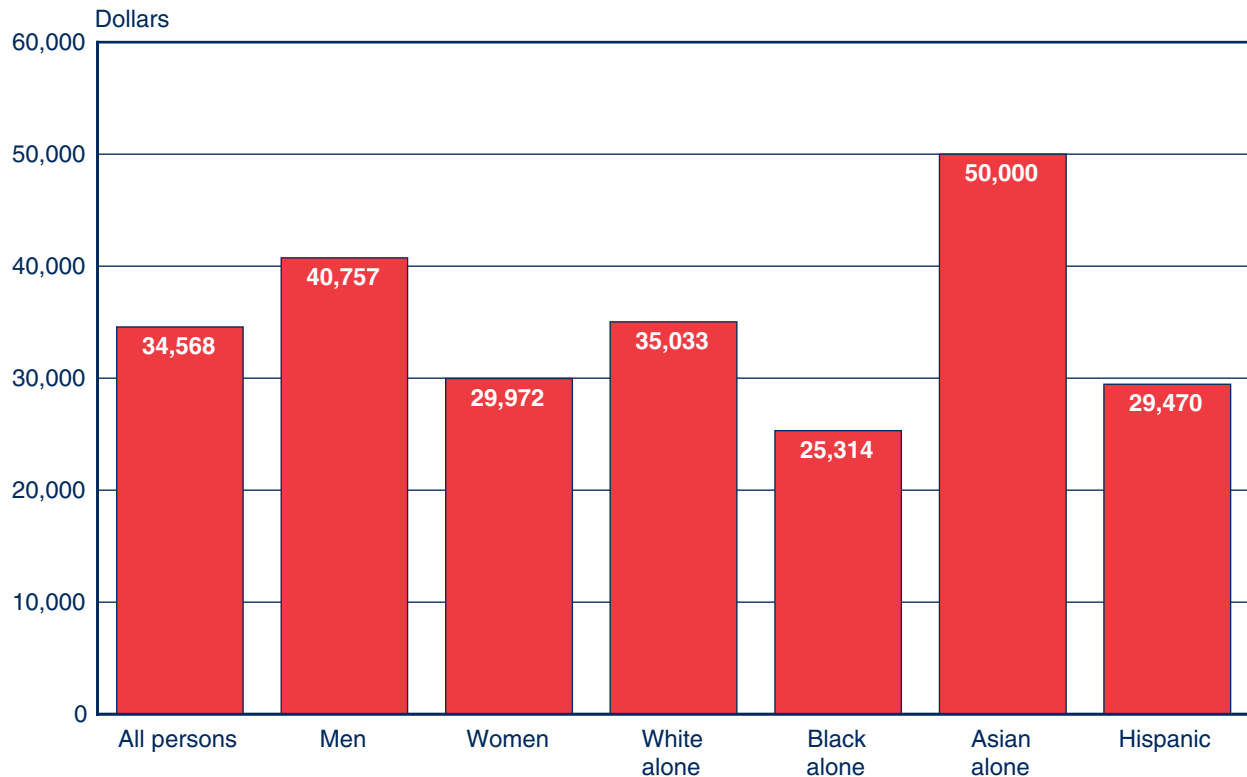


NOTE: Family income of persons 65 or older tends to be higher than the income of aged units 65 or older because it includes income from all family members, not just a spouse. In addition, each elderly person counts individually rather than as part of a marital unit; statistics based on aged units give greater weight to nonmarried persons as compared to statistics based on persons.

## Family median income varies by sex, race, and Hispanic origin.

Median family income of men is roughly one-third higher than it is for women. Asians have the highest median family income, followed by whites, Hispanics, and blacks.

Median family income, by sex, race, and Hispanic origin, 2008

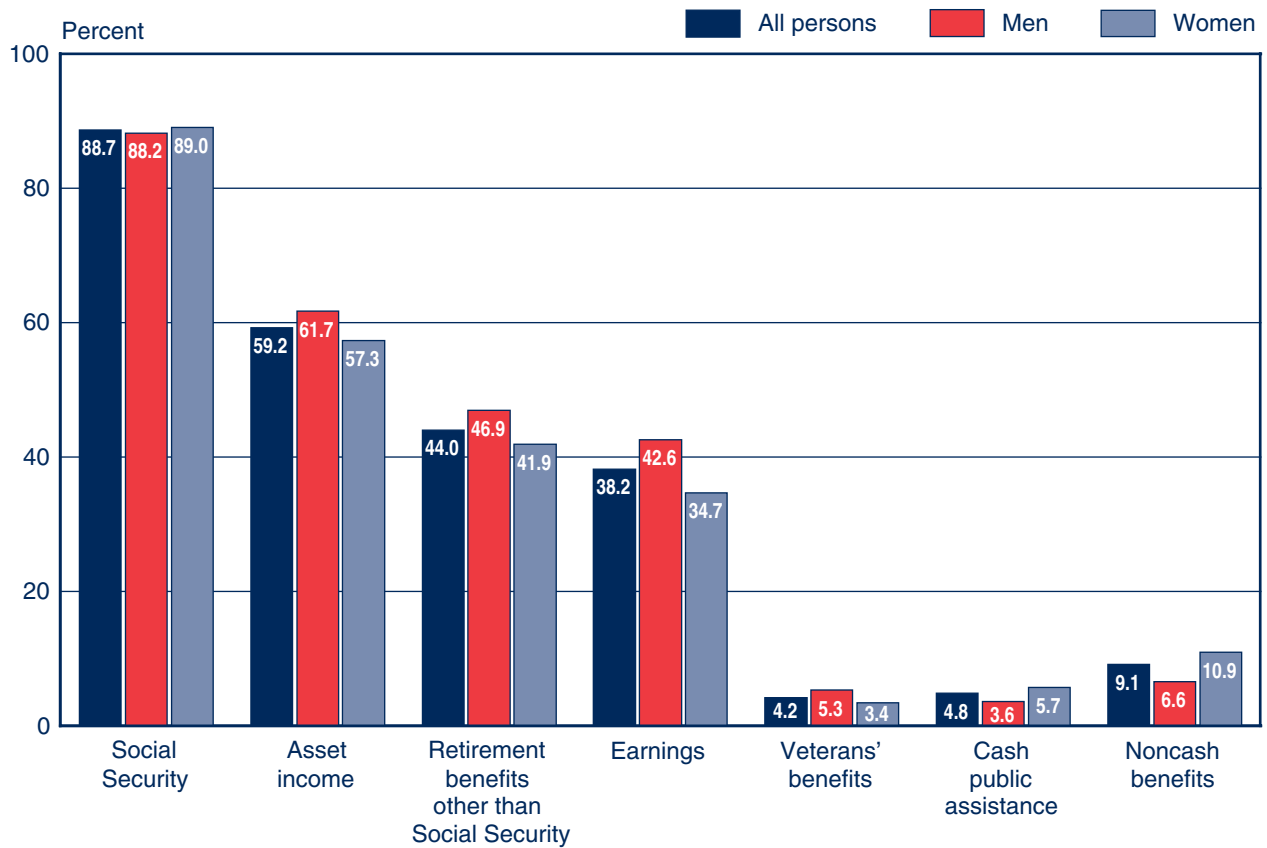


NOTE: Family income of persons 65 or older tends to be higher than the income of aged units 65 or older because it includes income from all family members, not just a spouse. In addition, each elderly person counts individually rather than as part of a marital unit; statistics based on aged units give greater weight to nonmarried persons as compared to statistics based on persons.

## Family income sources vary by sex.

Men are more likely than women to be in families receiving income from any source other than Social Security and public assistance.

Family income source, by sex, 2008

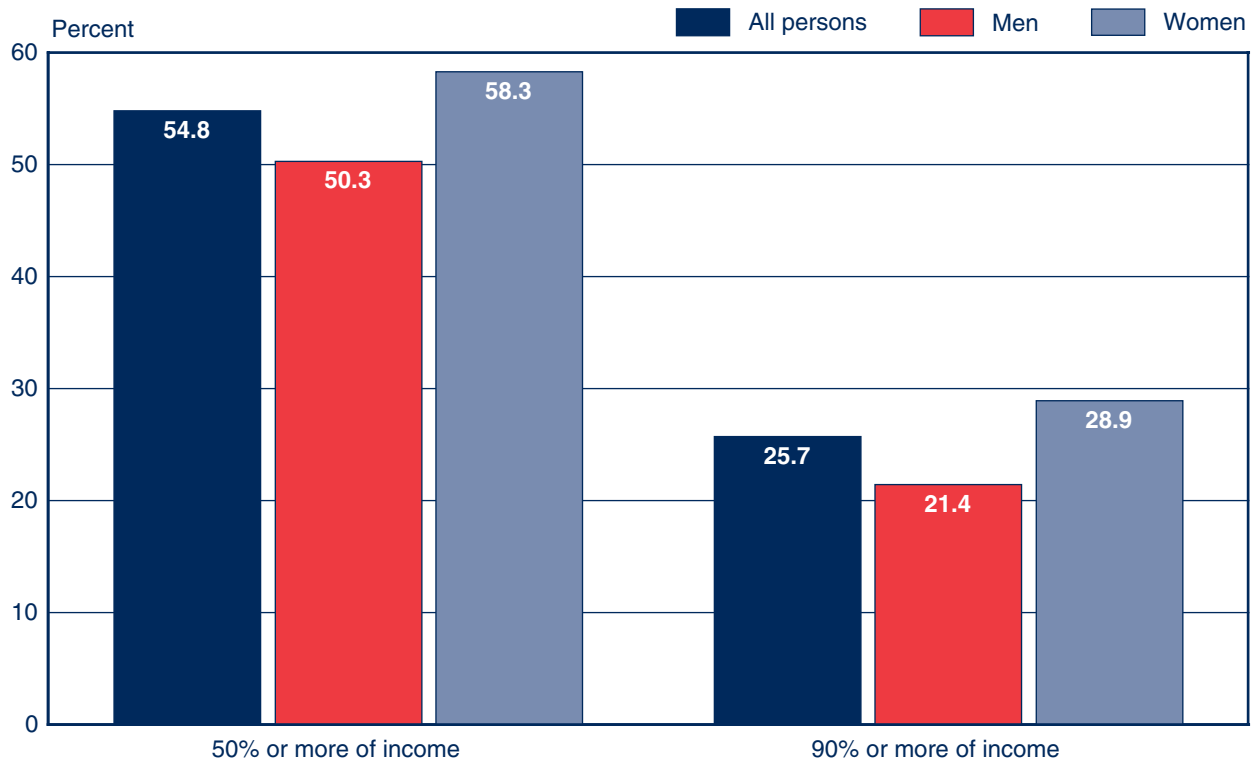


NOTE: Family income of persons 65 or older tends to be higher than the income of aged units 65 or older because it includes income from all family members, not just a spouse. In addition, each elderly person counts individually rather than as part of a marital unit; statistics based on aged units give greater weight to nonmarried persons as compared to statistics based on persons.

## Social Security was the major source of family total income for slightly more than half of persons 65 or older in families receiving benefits.

For about one-quarter of the elderly, Social Security was most of family total income. Social Security was the predominant source of family income for one-fifth of elderly men in beneficiary families and over one-quarter of elderly women in beneficiary families. Social Security accounted for less than half of family income for nearly half of the elderly men in beneficiary families and 41.7% of elderly women in beneficiary families.

**Percentage of aged persons in families receiving Social Security benefits, by sex and relative importance of family benefits to family total income, 2008**



NOTE: Family income of persons 65 or older tends to be higher than the income of aged units 65 or older because it includes income from all family members, not just a spouse. In addition, each elderly person counts individually rather than as part of a marital unit; statistics based on aged units give greater weight to nonmarried persons as compared to statistics based on persons.





# Poverty Status, Based on Family Income

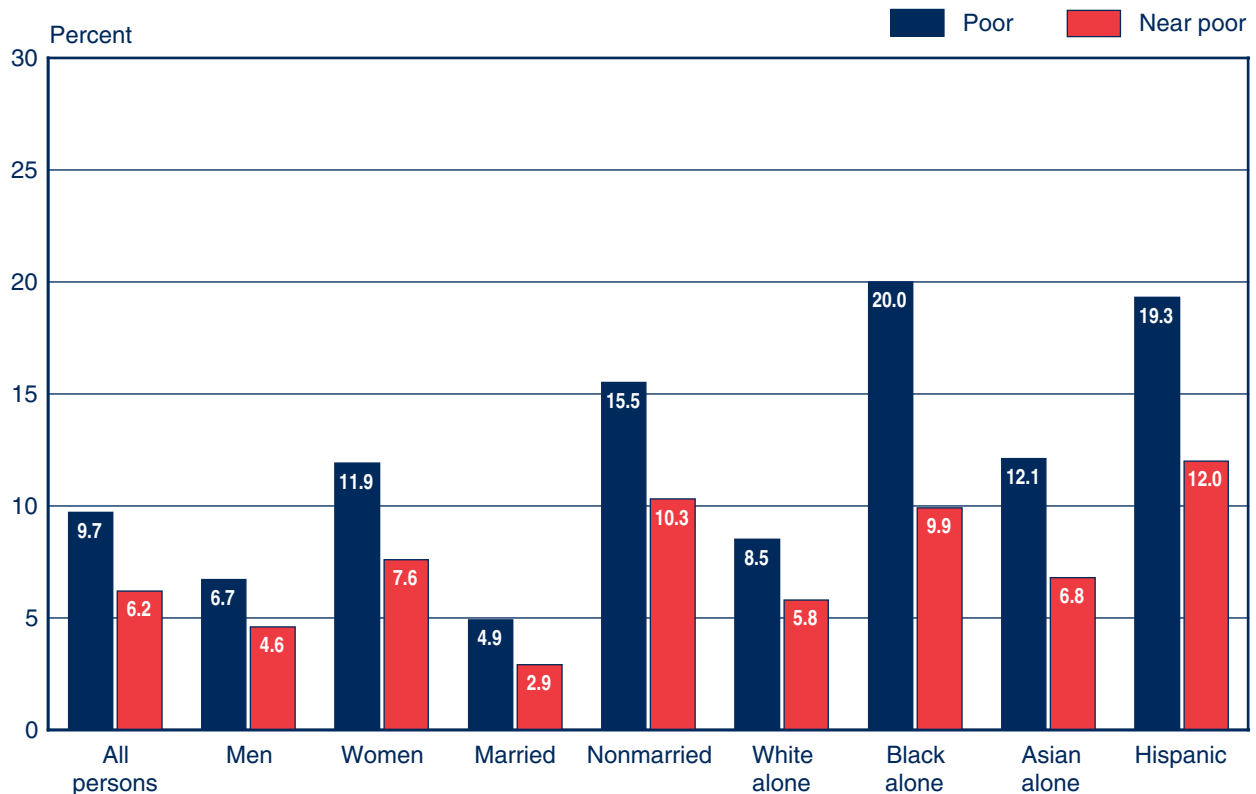
- ▶ High proportions of nonmarried and minority persons aged 65 or older are poor or near poor.
- ▶ The oldest age group (80 or older) has the highest poverty rate.



## High proportions of nonmarried and minority persons aged 65 or older are poor or near poor.

The variations in family income by sex, marital status, and race are reflected in the poverty rates for those subgroups of the aged. Nonmarried persons, blacks, and Hispanics have the highest poverty rates, ranging from 15.5% to 20.0%. An additional 9.9% to 12.0% of nonmarried persons, blacks, and Hispanics have incomes between the poverty line and 125% of the poverty line (the near poor).

Poverty status, by sex, marital status, race, and Hispanic origin, 2008



## The oldest age group (80 or older) has the highest poverty rate.

In keeping with the lower family income of older age groups, those groups generally have higher rates of poverty and near poverty (income between the poverty line and 125% of the poverty line).

Poverty status, by age, 2008

