



# EBRI News

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**New Research From EBRI:**

## **Low-Income Older Americans Remain Overwhelmingly Dependent on Social Security**

WASHINGTON, DC—Where do older Americans get most of their money? The most recent data show that, especially for the low-income elderly, they are overwhelmingly dependent on their Social Security checks, according to a new analysis by the nonpartisan Employee Benefit Research Institute (EBRI).

Based on data from the U.S. Census Bureau's March 2004 Current Population Survey, EBRI's analysis shows among all Americans age 65 and older, the money they live on comes from these sources:

- Social Security: 41.9 percent.
- Pensions and retirement income: 20.6 percent
- Income from assets: 13.9 percent.
- Earnings: 21.7 percent.
- Other: 1.9 percent

Over the last quarter century, Social Security (the federal retirement program for the elderly and disabled) has remained a consistently vital source of income for older Americans, ranging from 39 percent of their incomes in 1989 to nearly 43 percent in 1979.

The importance of Social Security for those age 65 and older varied dramatically depending on their income, the study found. For example, Social Security provided just over 91 percent of the annual income for those in the lowest one-fifth of the income scale (those with less than \$7,330 in annual income in 2003). But those in the highest one-fifth of the scale (more than \$30,000 in annual income) received only about 20 percent of their annual income from Social Security.

Another sign of the difference between low-income and high-income retirees showed up in the other sources of income they received. For example, low-income retirees received about 3 percent of their income from pensions and annuities, 2 percent from assets and, 1 percent from earnings. By contrast, high-income retirees received about 25 percent of their incomes from pensions and annuities, 19 percent from assets, and 34 percent from earnings.

The EBRI study also found that the unmarried elderly received far more of their annual income from Social Security than married elderly couples (49 percent compared with 37 percent). In addition, elderly women received a far greater share of their annual income from Social Security (51 percent) than men (35 percent). Elderly men received far more income from pensions and annuities (26 percent) than elderly women (16 percent).

The analysis is published in the January *EBRI Notes*, "Income of the Elderly Population: 2003," available at EBRI's Web site ([www.ebri.org](http://www.ebri.org)).

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