



# EBRI News

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## *New Research From EBRI:*

### **Percentage Receiving Pension Income Rises Slightly Over Time**

WASHINGTON—The percentage of Americans age 65 or older who received pension income either from one of their own former employers or from a spouse's former employer increased slightly from 1998 to 2003, according to a study published today by the nonpartisan Employee Benefit Research Institute (EBRI). The percentages include both former private-sector and public-sector employees.

The study is based on the latest data from the Survey of Income and Program Participation (SIPP), conducted by the U.S. Census Bureau, and appears in the March 2007 *EBRI Notes*, available at [www.ebri.org](http://www.ebri.org). The study showed these results:

- In 2003, 37.6 percent of elderly Americans (age 65 or older) received pension income from their own former employer, compared with 36.0 percent in 1998.
- The percentage receiving pension income from their own or a spouse's former employer was 45.6 percent in 2003, compared with 44.3 percent in 1998.

According to the study, the SIPP reported a significantly higher percentage of those age 65 or older receiving pension income (nearly 46 percent) than the Census Bureau's Current Population Survey's much more widely quoted figure: 36 percent. Despite this 10-percentage-point difference, both surveys showed that a majority of those age 65 or older are not receiving pension income, and the percentage is decreasing for younger retirees. The study notes these levels are likely to continue to drop for future retirees, since fewer private-sector employers are offering "traditional" defined benefit pensions to current or future workers.

In addition, the study provided this information about those receiving pensions:

- In 2003, 23.2 million Americans age 65 or older worked for pay sometime during their lifetime. Of those, 55.2 percent had pension income from one of their former employers.
- For those receiving a pension, the median annual income in 2003 was \$8,340.
- Individuals who retired from a firm with 100 or more employees were almost twice as likely to have received pension income as those who retired from a firm with fewer than 100 employees.
- Former public-sector workers were the most likely to receive a pension (79.0 percent) and had the highest median pension amount (\$12,000).
- Former employees who were union members, had tenure of 20 or more years in their last job, or had earnings just before retirement of \$30,000 or more (in 2003 dollars) were significantly more likely to have pension income in retirement than other workers.

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