



EBRI News

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New Research from EBRI:

Social Security an Increasing Source of Income as Population Ages

WASHINGTON—Social Security provides a growing source of income as the nation's elderly population ages, according to a study published today by the nonpartisan Employee Benefit Research Institute (EBRI).

The share of the older population's 2005 income that came from Social Security rises from 30 percent for those ages 65–69 to 55 percent for those ages 85 and older, said the study, published in the May 2007 *EBRI Notes*, available at www.ebri.org. The number was higher for each progressively older age group.

On average, Social Security provided 40 percent of the income for all those age 65 and older in 2005. But gender and income greatly influence the importance of Social Security to the elderly, the report finds:

- **Gender:** Elderly women received 50 percent of their income from Social Security, compared with 33 percent for elderly men.
- **Income:** The lowest-income quartile (less than \$7,895 a year) among the elderly received 91 percent of their income from Social Security in 2005, while the highest-income quartile (more than \$32,198 a year) received 18 percent of its income from Social Security.

Overall, the leading sources of income for those age 65 and older in 2005 were:

- Social Security: 40.1 percent
- Pension and annuity income: 19.3 percent
- Income from assets: 13.6 percent
- Income from earnings: 24.8 percent
- Other: 2.2 percent

The study reported that *average* income for those age 65 and older in 2005 was \$24,418, up from \$17,037 in 1974. The *median* income (half above, half below) for those age 65 and older in 2005 was \$15,422, up from \$12,074 in 1974. However, median income was \$131 lower in 2005 than in 2004. All numbers are in constant 2005 dollars.

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