


Fast Facts from EBRI

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What Are the Major Sources of Income for Americans Age 65 and Older?

WASHINGTON—What are the major sources of income of Americans age 65 and older? How does the importance of Social Security change with income level and age?

It has long been known that Social Security is the primary income source for low-income Americans, but current data show it also is a significant source for those with higher income as well. The December 2007 *EBRI Notes* (full report online at www.ebri.org) provides these **2006 figures** for the current elderly population:

Overall Income Sources

In 2006, *Social Security* was the largest source of income for those currently age 65 and older, accounting for 39.8 percent of their income on average. *Pension and annuities* income was 19.3 percent, income from *assets* 15.4 percent, and income from *earnings* was 23.7 percent. In 2006, women received a larger share of their income (47.8 percent) from Social Security than men (34.0 percent).

Lowest Income Quintile

The lowest income quintile of the elderly (those with less than \$8,261 in annual income) received 87.6 percent of their income from *Social Security* in 2006. Other sources: 2.6 percent from *pensions and annuities*, 5.3 percent from *assets*, and 1.9 percent from *earnings*.

Highest Income Quintile

The highest income quintile (more than \$34,570 in annual income) received 18.5 percent of its income from *Social Security* in 2006. Other sources: 22.6 percent from *pensions and annuities*, 20.5 percent from *assets*, and 36.4 percent from *earnings*.

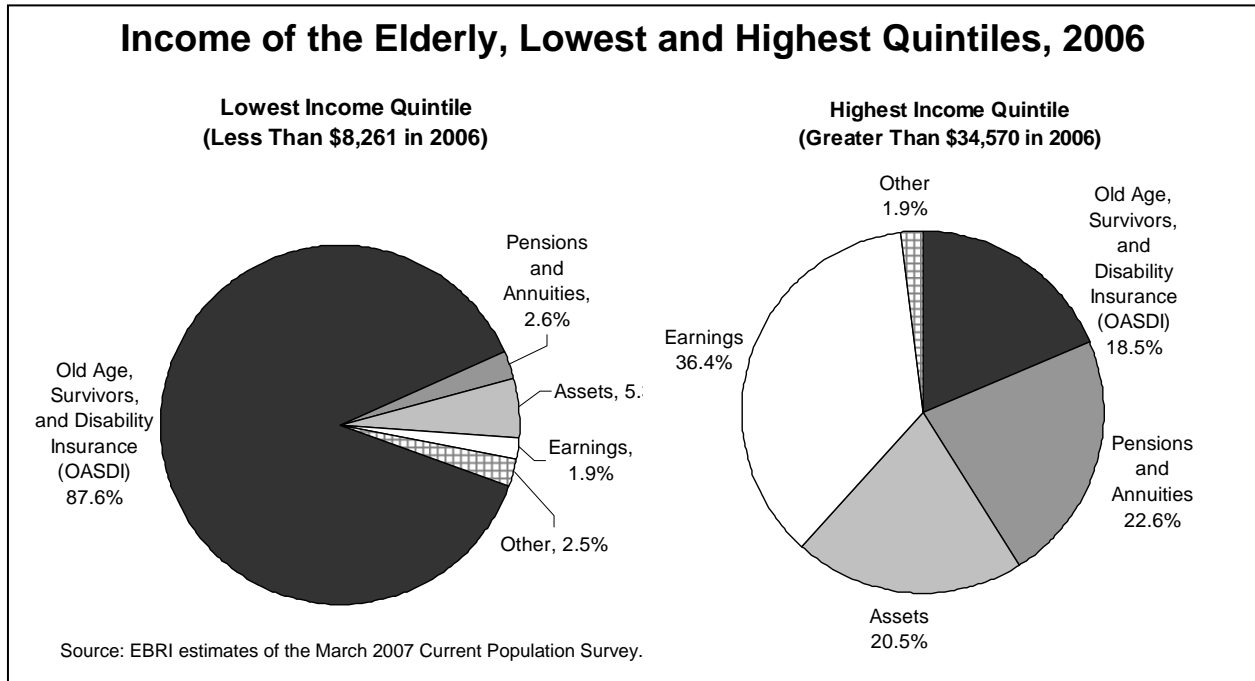
Age Differences

- **Age 85 and older:** 54.3 percent of this group's income came from *Social Security* in 2006. Other sources: 21.4 percent from *pensions*, 19.0 percent from *assets*, and 2.9 percent from *earnings*.
- **Age 65–69:** 30.1 percent of this group's income came from *Social Security* in 2006. Other sources: 16.5 percent from *pensions*, 12.9 percent from *assets*, and 39.1 percent from *earnings*.

Income Levels

- The *median income* level of the elderly population (half above, half below) increased from \$12,464 in 1974 (in constant 2006 dollars) to \$16,770 in 2006. Median income of the elderly increased at an average annual rate of 1.0 percent from 1989–1999 and by 0.34 percent from 1999–2006.

- The *average income* level of the elderly population increased from \$17,586 in 1974 (in constant 2006 dollars) to \$25,610 in 2006. Since 1989, average income of the elderly has gone up and down. It was \$2,989 higher in 2006 than 1989.



The complete December 2007 *EBRI Notes* is available at www.ebri.org. Comparable numbers for 2005 appeared in the May 2007 *EBRI Notes*, also available at www.ebri.org

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