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**New Research from EBRI:**

## **Social Security Averages 40% of Income of Elderly**

WASHINGTON—Social Security was the largest source of income for those currently age 65 and older, accounting for nearly 40 percent of their income on average, in 2008, according to a study released today by the nonpartisan Employee Benefit Research Institute (EBRI).

However, the importance of Social Security varied widely, with the lowest income group very heavily dependent on the federal retirement program compared with those who have high incomes.

The study, in the June *EBRI Notes*, is available at [www.ebri.org](http://www.ebri.org). It is based on 2008 data from the U.S. Census Bureau's annual March Current Population Survey (see pg. 7 of the report for details on CPS methodology). Here are some of the main points:

**Median income:** Real median income (midpoint, 50 percent above and 50 percent below) of those age 65 and older reached \$18,001 in 2008, the highest in the Census Bureau time series. This was an increase from \$13,264 (in constant 2009 dollars) in 1974 and \$17,085 in 2004.

**Sources of income:** Overall, Social Security accounted on average for 39.8 percent of the income of those 65 and older in 2008. Pension and annuities was 19.7 percent, income from assets was 13.0 percent, and income from earnings was 25.6 percent.

**Distribution of income:** Nearly all individuals (89.2 percent) age 65 and older were receiving income from Social Security, while 55.3 percent received income from assets, 35.4 received income from pensions and annuities, and 20.4 percent received income from earnings.

The study also showed the wide differences in sources of income by income level:

**Lowest income quintile** (less than \$8,956 in 2008): Social Security, 88.4 percent; assets, 4.0 percent; pensions and annuities, 3.4 percent; earnings, 2.0 percent; other, 2.3 percent.

**Highest income quintile** (more than \$38,468 in 2008): Earnings, 39.3 percent; pensions and annuities, 22.6 percent; Social Security, 18.6 percent; assets, 17.7 percent; other, 1.8 percent.

In addition, the study showed differences in the composition of income by gender. For example, Social Security accounted for 48.4 percent of elderly women's income in 2008, compared with 33.7 percent of elderly men's income. And pensions and annuities accounted for 21.8 percent of elderly men's income, compared with 16.8 percent of elderly women's.

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