

## **EBRI Databook on Employee Benefits**

### **Chapter 2: Income Statistics of the Population Aged 55 and Over**

UPDATED July 2014

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Note: The data in this chapter were tabulated from the March Current Population Survey, conducted annually by the U.S. Census Bureau. Of all datasets reporting income of the older population, the March CPS allows for the most detailed breakouts of individual incomes. However, there has been controversy about March CPS data in relation to the underreporting of certain types of income, including various retirement income sources. In response to this controversy, the Census Bureau has undergone an effort to refine the income questions and results from this effort have shown much higher levels of retirement income. See Jessica L. Semega and Edward Welnick, Jr. "The Effects of the Changes to the Current Population Survey Annual Social and Economic Supplement on Estimates of Income." *Proceedings of the 2015 Allied Social Science Association (ASSA) Research Conference*. Available at <http://www.census.gov/content/dam/Census/library/working-papers/2015/DEMO/ASSA-Income-CPSASEC-Red.pdf>

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Real median income received by both males and females aged 55 and over has increased almost threefold since the late 1940s (table 2.1). In addition, persons aged 55 and over, as a whole, have lower poverty rates than the population under age 34, particularly those under age 18 (estimates of chart 2.1a and b).

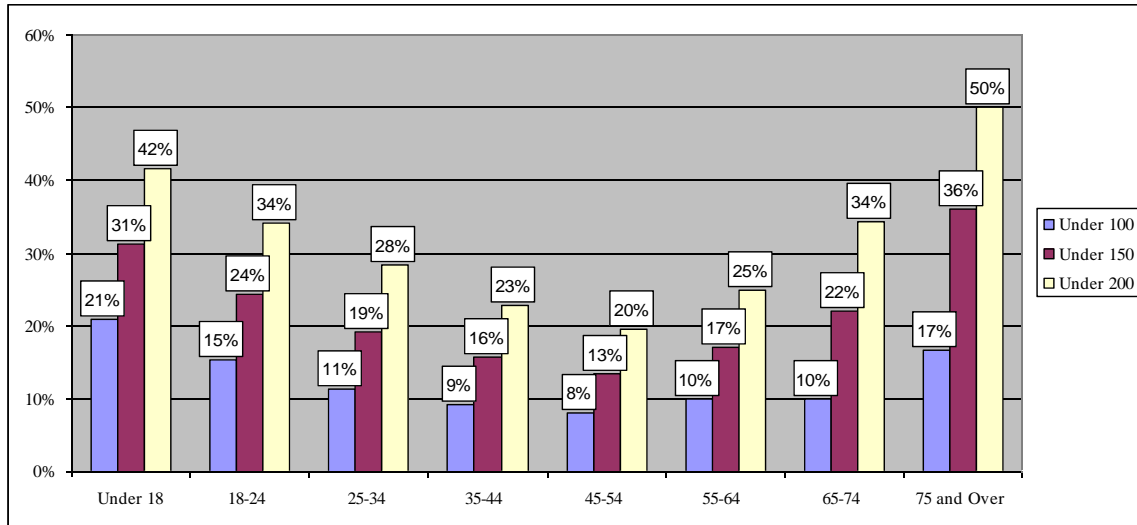
However, these averages obscure variance in income levels among the older population. For example, income tends to decrease with age after age 55 (chart 2.1a and b). In 2012, 42 percent of people age 75 and older lived under 200 percent of poverty (chart 2.1b). As a result, people age 75 or older were more likely than other age groups, except for those younger than age 25 to live on incomes less than 200 percent of poverty.

As indicated above, differences in income levels among older individuals are associated with variation in demographic characteristics, such as age. Other correlates of income are gender, marital status, and education. Table 2.1 shows that in 2012, there was a 62.7 percent difference in the median incomes among men and women aged 55–64 and a 57.7 percent difference for those over age 65. In addition, table 2.2 shows that people ages 65 or older that were part of a married couple in 2012 were likely to have received higher incomes than their widowed, divorced or separated, or never married counterparts.

Relative to gender and marital status, educational level seems to be a more powerful correlate of income for people ages 65 or older; the mean income of persons age 65+ in 2012 without a high school diploma was \$16,650, as compared to \$67,598 for those with a graduate degree.

**Chart 2.1a**  
**Poverty Status by Age**

*Percentage of U.S. Population Under 100 Percent, 150 Percent, and 200 Percent of the Official Poverty Rate, by Age 1987*

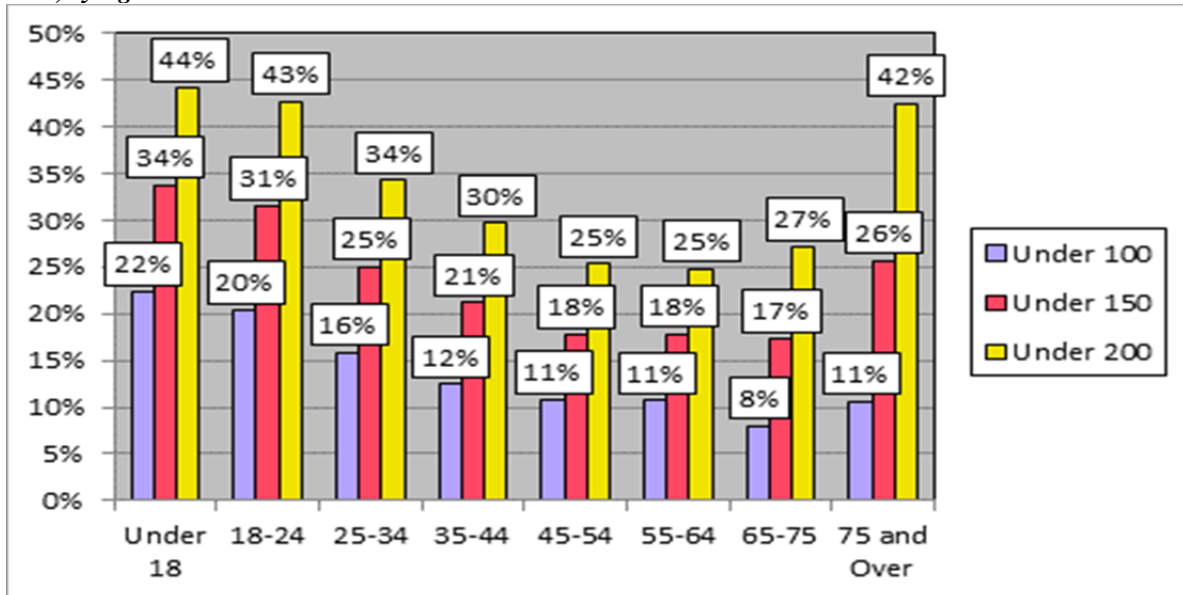


Source: Employee Benefit Research Institute estimates from the Current Population Survey, March 1988 Supplement.

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**Chart 2.1b**  
**Poverty Status by Age**

*Percentage of U.S. Population Under 100 Percent, 150 Percent, and 200 Percent of the Official Poverty Rate, by Age 2012*



Source: Employee Benefit Research Institute estimates from the Current Population Survey, March 2013 Supplement.

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**[Table 2.1](#)**

**[Real Median Income of the Older Population by Gender](#)**

***[Real Median Income by Gender and Age of Individuals Aged 55 and Over, Selected Years 1947– 2012](#)***

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**[Table 2.2](#)**

**[Income Diversity Among the Population Aged 65 and Over](#)**

***[Median and Mean Incomes of Persons Aged 65 and Over, by Education, Marital Status, and Race 2012](#)***

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**[Table 2.3](#)**

**[Real Median Income of the Older Population by Age](#)**

***[Real Median Income of the Population Ages 55 and Over by Age and Income Sources, 1974-2012](#)***

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