

EBRI Databook on Employee Benefits

Chapter 11

Trends in Household Income and Expenditure for Older Americans

Description of Expenditure Components for figure 11.1

- **Home-related expenses** include mortgage, property taxes, homeowner's or renter's insurance, rent, utilities, home repairs, home furnishings, housecleaning supplies, housekeeping and laundry services, gardening and yard supplies, and gardening and yard services.
- **Food expenses** include food and drink, including alcoholic beverages that are bought in grocery and other stores. Dining out is not included.
- **Health expenses** include out-of-pocket (uninsured) health insurance costs, including Medicare supplemental insurance; out-of-pocket costs on prescription and nonprescription drugs; out-of-pocket cost of hospital care, doctor services, lab tests, eye, dental, and nursing home care; and out-of-pocket costs for medical supplies.
- **Transportation expenses** include car payments (principal and interest), vehicle insurance, vehicle maintenance, and gas.
- **Clothing expenses** include clothing and apparel (including jewelry) and also personal care products and services.
- **Entertainment expenses** include trips and vacations, tickets to movies, sporting, or performing arts events; hobbies and leisure equipment (photography, reading, camping, etc.); dining out in restaurants, cafes, and diners; and take-out food.
- **Other expenses** include contributions to religious, educational, charitable, or political organizations, and cash and gifts to family and friends outside the household (including alimony and child-support payments).

Description of Income Components for figure 11.2

- **Labor income:** sum of wage/salary income, bonuses/overtime pay/commissions/tips, second job, professional practice or trade income.
- **Capital income:** sum of business or farm income, self-employment earnings, business income, gross rent, dividend and interest income, trust fund or royalties, and other asset income.
- **Pension/Annuity income:** sum of all pension and annuity payments. This includes income from defined benefit pensions, annuities, and income from other retirement savings such as 401(k) type plans and individual retirement accounts (IRA).
- **Social Security income:** includes Social Security retirement, spouse or widow benefits.

- **Other income:** sum of Social Security disability benefits, unemployment and worker's compensation, veteran's benefits, food stamps, alimony, lump-sums from insurance, pensions or inheritance.

Description of Income, Expenditure and Wealth Components for figures 11.3 and 11.4

- **Income** represents total household income, i.e., for couple households, it is the sum of respondent and spouse income. It includes wages and labor earnings; capital earnings; defined benefit pensions, annuities, and income from other retirement savings such as 401(k)-type plans and individual retirement accounts (IRAs); Social Security Disability Insurance; Social Security retirement benefits; unemployment compensation; and government transfers and other sources of income such as alimony, lump sums from insurance, pensions, or inheritance, or anything else.
- **Expenditure** is total expenditure on all categories (home, food, health, transportation, clothing, entertainment, and other expenses combined).
- **Net nonhousing wealth** includes any real estate other than primary residence; net value of vehicles owned; IRAs, stocks and mutual funds, checking, savings and money market accounts, CDs, government savings bonds, Treasury bills, bonds and bond funds; and any other source of wealth minus all debts (such as consumer loans).
- **Net total wealth** includes net nonhousing wealth *plus* value of primary residence *minus* mortgage and other home loans. It does not include income.

Figure 11.1
Mean and Median Spending, in 2013 \$s, in Each Category and Mean Percentage
Share of Each Category in Total Spending, 2003-2011, by Age Groups

	50-64			65-74			75-84			85 +		
	Mean	Median	% of Total Expenses	Mean	Median	% of Total Expenses	Mean	Median	% of Total Expenses	Mean	Median	% of Total Expenses
	2003											
Home	24,803	16,381	40%	19,006	11,890	38%	17,144	10,466	40%	13,857	7,902	42%
Food	6,151	4,935	13%	5,134	3,948	13%	4,462	3,290	12%	3,003	2,303	10%
Health	5,462	3,204	10%	5,558	3,436	12%	6,402	4,024	15%	8,081	4,533	21%
Transport	9,134	5,897	15%	6,060	3,835	13%	3,960	2,616	10%	2,258	1,084	5%
Clothing	2,781	1,392	5%	2,118	1,063	5%	1,672	906	4%	1,358	664	4%
Entertainment	6,114	3,784	11%	5,538	2,923	11%	3,588	1,842	8%	1,972	808	6%
Other	4,177	1,581	7%	5,750	1,525	8%	4,966	1,518	10%	3,646	1,066	10%
Total Spending	59,588	46,430		49,175	38,566		43,434	29,953		36,571	25,147	
	2005											
Home	23,996	17,782	44%	19,070	12,029	41%	13,579	10,403	40%	17,246	7,946	43%
Food	5,369	4,290	12%	4,691	3,575	12%	3,994	3,098	14%	2,842	2,145	13%
Health	4,873	2,765	9%	4,730	3,253	12%	5,555	3,772	16%	6,334	3,492	21%
Transport	8,522	6,489	16%	5,979	3,909	14%	3,611	2,622	11%	1,535	1,127	6%
Clothing	2,060	1,144	4%	1,518	834	3%	1,119	655	3%	1,285	530	3%
Entertainment	5,586	3,337	10%	4,774	2,383	9%	3,355	1,477	8%	1,615	619	5%
Other	3,830	1,203	6%	3,979	1,191	7%	4,706	1,138	8%	3,007	715	7%
Total Spending	55,673	45,611		44,285	34,456		35,707	28,402		32,474	21,715	
	2007											
Home	26,381	17,151	45%	18,532	13,439	42%	15,543	9,868	41%	14,759	9,521	47%
Food	5,023	4,377	12%	4,667	3,502	12%	4,033	3,098	13%	2,645	2,042	11%
Health	4,751	2,632	9%	4,652	3,008	11%	5,063	3,263	14%	4,475	3,140	16%
Transport	8,086	6,066	16%	6,137	4,186	14%	3,695	2,755	11%	1,723	1,111	6%
Clothing	1,912	1,100	4%	1,752	785	4%	1,199	673	4%	1,001	516	5%
Entertainment	5,354	3,120	9%	4,953	2,626	10%	3,140	1,616	9%	1,784	606	5%
Other	3,085	1,122	5%	4,242	1,122	7%	4,081	1,144	8%	3,734	752	10%
Total Spending	55,934	44,205		45,158	34,729		38,287	30,656		30,137	23,865	
	2009											
Home	24,401	17,810	47%	18,506	13,361	44%	14,861	11,000	42%	11,959	7,985	41%
Food	5,109	4,231	12%	4,215	3,554	12%	4,090	3,255	13%	2,623	2,256	12%
Health	4,999	2,604	9%	4,388	3,140	11%	5,688	3,502	15%	5,651	2,786	20%
Transport	6,925	5,358	14%	5,008	3,580	13%	3,552	2,528	10%	1,674	1,144	7%
Clothing	1,749	976	3%	1,249	759	3%	999	585	3%	800	468	5%
Entertainment	4,904	2,802	9%	4,013	2,256	9%	2,984	1,356	8%	1,569	621	6%
Other	2,993	1,085	5%	3,603	1,112	7%	3,826	1,085	8%	3,741	672	9%
Total Spending	49,373	41,638		41,516	34,931		36,566	29,054		28,596	21,141	
	2011											
Home	22,668	16,398	47%	18,720	12,642	43%	14,732	10,805	42%	13,111	8,781	44%
Food	4,970	4,036	12%	4,526	3,982	13%	3,994	3,228	13%	2,520	2,152	11%
Health	4,176	2,338	8%	4,383	3,104	11%	4,624	3,109	13%	6,603	2,814	19%
Transport	6,847	5,484	16%	5,169	4,025	14%	3,666	2,794	11%	1,972	1,241	7%
Clothing	1,429	869	3%	1,311	724	3%	950	569	3%	888	434	5%
Entertainment	4,608	2,534	9%	4,300	2,380	9%	3,277	1,655	9%	1,609	714	6%
Other	2,708	776	5%	3,583	1,148	7%	3,565	1,034	8%	3,188	734	8%
Total Spending	47,829	38,642		42,805	34,036		35,315	29,884		30,610	22,263	

Source: Employee Benefit Research Institute estimates from Consumption and Activities Mail Survey (CAMS).

**Figure 11.2
Median Income, in 2010 \$s, from Different Sources and Mean Percentage
Share of Each Source in Total Income, by Age Groups**

	2001								
	65-74			75-84			85+		
	Mean	Median	% of Total Income	Mean	Median	% of Total Income	Mean	Median	% of Total Income
Labor	9,135	0	11.4%	1,456	0	2.6%	18	0	0.0%
Capital	11,991	492	13.3%	7,790	615	13.1%	5,431	147	13.0%
Pension/Annuity	10,358	649	18.6%	8,871	1,418	19.2%	4,454	0	12.9%
Social Security	16,000	15,111	50.2%	15,017	14,225	60.0%	12,832	12,763	69.1%
Others	3,489	0	6.2%	1,879	0	4.9%	1,402	0	4.7%
Total Income	50,975	34,192		35,015	25,112		24,199	16,761	
	2003								
Labor	12,719	0	14.7%	1,598	0	3.2%	188	0	0.3%
Capital	12,951	245	11.3%	7,179	445	12.4%	5,009	42	9.7%
Pension/Annuity	13,253	910	18.4%	11,068	2,275	20.4%	5,460	0	15.5%
Social Security	16,452	15,499	47.6%	15,896	14,788	59.0%	13,166	12,442	69.5%
Others	4,330	0	7.7%	2,231	0	4.8%	1,458	0	4.8%
Total Income	59,708	37,024		37,974	26,434		25,284	17,078	
	2005								
Labor	10,802	0	13.5%	2,037	0	3.1%	173	0	0.3%
Capital	12,975	401	12.6%	9,510	497	13.8%	4,744	66	11.6%
Pension/Annuity	11,926	1,205	18.9%	11,897	3,562	21.7%	5,856	167	17.1%
Social Security	17,274	16,780	47.4%	17,228	16,712	56.9%	13,793	13,331	66.2%
Others	9,385	0	7.4%	2,160	0	4.3%	1,706	0	4.6%
Total Income	62,364	39,537		42,835	30,846		26,273	19,913	
	2007								
Labor	13,120	0	14.1%	2,341	0	3.8%	243	0	0.5%
Capital	14,065	354	13.0%	11,463	622	14.0%	17,499	105	14.4%
Pension/Annuity	11,347	0	18.1%	10,485	1,336	19.4%	6,938	0	16.7%
Social Security	17,407	17,164	47.7%	16,931	16,702	57.6%	13,854	13,185	62.6%
Others	5,327	0	6.8%	2,544	0	5.0%	2,615	0	5.5%
Total Income	61,269	41,001		43,766	30,647		41,152	20,122	
	2009								
Labor	9,677	0	11.9%	2,139	0	3.5%	358	0	0.5%
Capital	8,591	73	9.9%	8,482	100	11.6%	6,245	7	13.8%
Pension/Annuity	11,612	0	17.1%	9,682	0	18.4%	4,917	0	15.3%
Social Security	18,441	17,666	53.9%	17,236	17,068	60.6%	12,780	12,222	65.7%
Others	4,647	0	7.0%	5,645	0	5.7%	1,439	0	4.5%
Total Income	52,970	37,201		43,187	29,626		25,741	19,623	

Source: Employee Benefit Research Institute estimates from Health and Retirement Study (HRS).

Figure 11.3

Median Household Income, Median Household Expenditure, Median Household Financial Wealth, and Median Total Household Wealth (Financial & Housing), in 2013 \$s, for Different Age Groups Above 50

	50-64	65-74	75-84	85+
	2003			
Income	55,734	40,813	29,720	20,266
Expenditure	46,430	38,566	29,953	25,147
Income Gap	9,304	2,247	-233	-4,881
Non-Housing Wealth	73,055	87,543	91,858	30,825
Total Wealth	200,979	218,857	221,662	99,256
	2005			
Income	65,743	44,250	35,732	23,692
Expenditure	45,611	34,456	28,402	21,715
Income Gap	20,132	9,794	7,330	1,977
Non-Housing Wealth	73,984	104,040	109,820	34,795
Total Wealth	237,370	277,440	290,156	138,766
	2007			
Income	67,002	45,602	34,609	25,185
Expenditure	44,205	34,729	30,656	23,865
Income Gap	22,797	10,873	3,953	1,320
Non-Housing Wealth	64,920	102,790	94,134	56,264
Total Wealth	202,334	261,844	250,807	149,316
	2009			
Income	59,189	41,788	34,489	24,359
Expenditure	41,638	34,931	29,054	21,141
Income Gap	17,551	6,857	5,435	3,218
Non-Housing Wealth	65,415	83,304	80,420	74,760
Total Wealth	183,696	223,425	224,280	176,220

Source: Employee Benefit Research Institute estimates from Health and Retirement Study (HRS) and Consumption and Activities Mail Survey

Figure 11.4

Median Household Income, Median Household Expenditure, Median Household Financial Wealth and Median Total Household Wealth (Financial & Housing), in 2013 \$s, for Households 65 and Above

	Couples	Singles	Widowed
		2003	
Income	50,820	19,855	21,876
Expenditure	43,060	24,811	27,113
Income Gap	7,760	-4,956	-5,237
Non-Housing Wealth	163,107	22,933	36,990
Total Wealth	343,513	88,776	134,397
		2005	
Income	50,183	22,247	22,132
Expenditure	41,161	25,213	23,079
Income Gap	9,022	-2,966	-947
Non-Housing Wealth	154,904	19,074	29,015
Total Wealth	365,527	83,174	138,720
		2007	
Income	52,486	21,146	21,499
Expenditure	42,429	22,795	24,949
Income Gap	10,057	-1,649	-3,450
Non-Housing Wealth	160,136	16,338	32,460
Total Wealth	357,060	84,396	136,346
		2009	
Income	47,110	20,629	21,540
Expenditure	40,086	24,063	24,003
Income Gap	7,024	-3,434	-2,463
Non-Housing Wealth	136,170	21,360	28,889
Total Wealth	294,768	71,609	133,820

Source: Employee Benefit Research Institute estimates from Health and Retirement Study (HRS) and