

Income for the Population Aged 65 and Older: Evidence from the Health Retirement Study (HRS)

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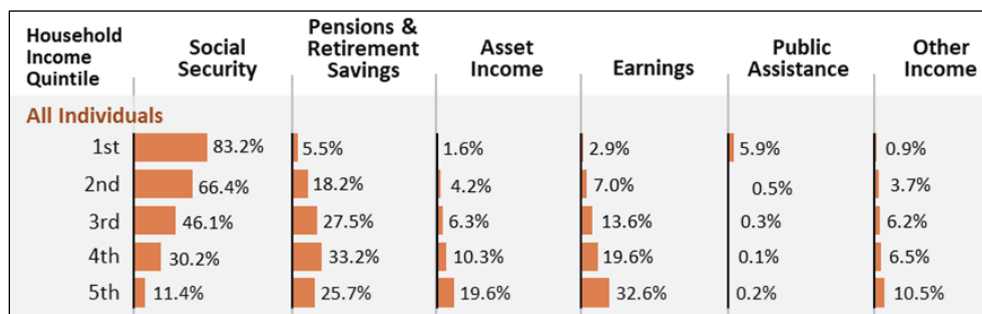
Income for the Population Aged 65 and Older: Evidence from the Health Retirement Study (HRS)

Congress has expressed interest in improving retirement income security for older Americans. Median household income (which lies at the middle of the household income distribution) for individuals aged 65 and older (or *aged individuals*) was \$51,906 in 2017. However, one-fifth of individuals aged 65 and older had household incomes of less than \$21,840, and one-fifth had household incomes of \$110,897 or more. Household income for the married, which includes partnered households, is the sum of income from each spouse in the household; household income for single persons (i.e., those widowed, divorced or separated, and never married) is their personal income.

Older Americans receive income from public programs such as Social Security (formally known as Old-Age, Survivors, and Disability Insurance, or OASDI) and Supplemental Security Income (SSI), earnings, pensions and retirement savings, asset income, and others. This report addresses the number and proportion of aged individuals who received household income from each source and the amount received, using the 2018 Health and Retirement Study (HRS) linked with administrative data from the Social Security Administration (SSA). Income reflects the annual amount received in 2017.

Social Security was the most common source of income among the aged in 2017. Approximately 93% of individuals aged 65 and older received household income from Social Security. The median annual household Social Security benefit amount was \$22,080. Social Security was the largest single-source of income among the aged, representing approximately 28% of aggregate income for individuals aged 65 and older in 2017. Social Security accounted for about 83% of aggregate income for aged individuals in the bottom 20% of the household income distribution, compared to 11% of aggregate income for aged individuals in the top 20% of the household income distribution.

Share of Aggregate Income from Each Source for Individuals Aged 65 and Older by Household Income Quintile, 2017



Source: CRS analysis of the 2018 Health and Retirement Study (HRS).

Notes: Each household income quintile represents 20% of the individuals. The 1st quintile includes those with the lowest household income. The 5th quintile includes those with the highest household income. Household income quintile limits: \$21,840, \$39,700, \$64,295, \$110,897. Pensions and retirement savings: Defined Benefit (DB) and Defined Contribution (DC) pension plans, Individual Retirement Accounts (IRAs). Asset income: business income, interest, dividends, rents. Other income: veteran benefits, workers' compensation, unemployment compensation, alimony, child support, financial assistance from outside the household. Public assistance: SSI, other welfare income. Values have been adjusted for population weights provided by the HRS. Individual components may not sum to 100% due to rounding.

About 60% of individuals aged 65 and older received household income from pensions, annuities, and Individual Retirement Accounts (IRAs). The median household amount among recipients was \$18,000. Pensions and retirement savings accounted for 26% of aggregate income for all individuals aged 65 and older, compared to 6% of aggregate income for those in the bottom 20% of the household income distribution.

About 55% of individuals aged 65 and older received household income from assets (business income, interest, dividends, rent) in 2017. The median amount was \$1,400. Asset income accounted for 2% of the aggregate income of aged individuals in the bottom 20% of the household income distribution, compared with 20% among those in the top 20% of the household income distribution.

About 59% of individuals aged 65 to 69 received household income from earnings in 2017, compared with 25% of those aged 70 and older. The median household earnings among all older workers was \$32,000. The percentage of aggregate income from earnings was 3% for those in the bottom 20% of the household income distribution, compared with 33% for those in the top 20% of the household income distribution.

About 8% of individuals aged 65 and older received household income from public assistance (mainly SSI) in 2017, with a median annual amount of \$1,764. Public assistance accounted for over 10% of aggregate income for aged individuals in the bottom 20% of the household income distribution.

Contents

Introduction	1
Data: Health and Retirement Study (HRS).....	3
Income Sources for Individuals Aged 65 and Older.....	6
Social Security	7
Pensions and Retirement Savings	8
Asset Income	10
Earnings	10
Public Assistance.....	10
Other Income.....	11
Income for Aged Individuals, by Marital Status.....	11
Income for Aged Individuals, by Household Income Quintiles	14
Income for Aged Individuals, by Race/Ethnicity	17
Income for Aged Individuals, by Age Groups	19
Income Dependency on Social Security Benefits.....	22

Figures

Figure 1. Share of Aggregate Income from Each Source Among Individuals Aged 65 and Older, 2017	6
Figure 2. Median Household Income for Individuals Aged 65 and Older by Marital Status, 2017	12
Figure 3. Share of Individuals Aged 65 and Older That Received Household Income from Each Income Source by Marital Status, 2017	13
Figure 4. Share of Aggregate Income from Each Income Source Among Individuals Aged 65 and Older by Marital Status, 2017.....	14
Figure 5. Share of Individuals Aged 65 and Older That Received Household Income from Selected Source by Household Income Quintile, 2017	15
Figure 6. Share of Aggregate Income from Each Source Among Individuals Aged 65 and Older by Household Income Quintile, 2017	16
Figure 7. Median Household Income for Individuals Aged 65 and Older by Race/Ethnicity, 2017	17
Figure 8. Share of Individuals Aged 65 and Older That Received Household Income from Each Income Source by Race/Ethnicity, 2017	18
Figure 9. Share of Aggregate Income from Each Income Source Among Individuals Aged 65 and Older by Race/Ethnicity, 2017.....	19
Figure 10. Median Household Income for Individuals Aged 65 and Older by Age Group, 2017.....	20
Figure 11. Share of Individuals Aged 65 and Older That Received Household Income from Each Income Source by Age Group, 2017	21
Figure 12. Share of Aggregate Income from Each Income Source Among Individuals Aged 65 and Older by Age Group, 2017	21
Figure 13. Percentage of Individuals Aged 65 and Older by Selected Proportion of Household Income from Social Security Benefits, 2017	24

Tables

Table 1. Individual Income and Household Income for Individuals Aged 65 and Older, 2017	5
Table 2. Share of Individuals Aged 65 and Older in Households That Received Income, and Median Amount of Household Income, by Income Source, 2017.....	7
Table A-1. Percentage of Individuals Aged 65 and Older That Received Household Income and the Distribution of Household Income by Source of Income, 2017	26
Table A-2. Percentage of Individuals Aged 65 and Older That Received Household Income from Each Income Source by Source of Income, Marital Status and Household Income Quintile, 2017	27
Table A-3. Percentage of Aggregate Income from Each Income Source Among Individuals Aged 65 and Older by Marital Status and Household Income Quintile, 2017	28
Table A-4. Percentage of Individuals Aged 65 and Older That Received Household Income by Source of Income, Marital Status, and Race/Ethnicity, 2017	30
Table A-5. Percentage of Aggregate Income from Each Income Source Among Individuals Aged 65 and Older by Marital Status and Race/Ethnicity, 2017	31

Appendixes

Appendix. Additional Income Tables for Individuals Aged 65 and Older	26
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Contacts

Author Information.....	33
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Introduction

Older individuals receive income from a variety of sources, including public programs such as Social Security (formally known as Old-Age, Survivors, and Disability Insurance, or OASDI) and Supplemental Security Income (SSI), as well as pensions and retirement savings, earnings, interests and dividends. Because Americans aged 65 and older (or *aged individuals*) represent a large and growing proportion of the U.S. population, and because much of their income is provided through government-sponsored social insurance or income transfer programs or is subsidized through income tax deductions and deferrals, the sources and amounts of income among older Americans are important in congressional policy discussions.

Americans are living longer than they were four decades ago. In 1975, the average number of years a 65-year old American could expect to live was 14.2 years for men and 18.7 years for women. In 2022, the Social Security Board of Trustees estimated that individuals attaining age 65 in 2022 will live for an average of 19.1 years for men and 21.7 years for women.¹ As the relatively larger number of individuals born from 1946 through 1964 (or baby boomers) live into old ages, together with the aging population more generally, the age profile of the population shifts. In 2021, there were about 57.8 million Americans aged 65 and older, representing 17.3% of the population. By 2040, according to projections made by the U.S. Census Bureau, there will be 80.8 million people aged 65 and older, constituting 21.6% of the U.S. population.²

Federal expenditures for retirement income of older Americans are also a large proportion of total federal spending. In FY2023, for example, federal expenditures for Social Security³ will be approximately \$1.31 trillion, representing more than 23% of total federal spending and nearly 36% of federal spending on entitlement programs.⁴ The federal government also provides income directly to low-income older Americans through the SSI program⁵ and to retired federal employees through the Civil Service Retirement System and the Federal Employees' Retirement System.⁶ In addition, the public also subsidizes the income of older Americans through several tax deferrals and deductions in the Internal Revenue Code.⁷ These tax incentives are designed to promote sponsorship of pension plans by employers and encourage workers to save for retirement. The tax deductions and deferrals granted to qualified retirement plans are one of the

¹ Social Security Board of Trustees, *The 2022 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds*, 2022, Table V.A5, <https://www.ssa.gov/OACT/TR/2022/lr5a5.html> (hereinafter, "Social Security 2022 Annual Report"). The estimates are cohort life expectancy under the trustees' intermediate assumptions. The cohort life expectancy at a given age for a given year is the average remaining number of years expected prior to death for a person at that exact age, born on January 1, using the mortality rates for the series of years in which the individual will actually reach each succeeding age if he or she survives.

² See U.S. Census Bureau, 2017 National Population Projections Datasets, Table 1, at <https://www.census.gov/data/datasets/2017/demo/popproj/2017-popproj.html>.

³ See CRS Report R42035, *Social Security Primer*, by Barry F. Huston.

⁴ See Office of Management and Budget (OMB), *Budget of the United States Government, Fiscal Year 2022*, Table S-3, <https://www.govinfo.gov/content/pkg/BUDGET-2023-BUD/pdf/BUDGET-2023-BUD.pdf>. In August 2022, about 80% of Social Security beneficiaries were 65 years of age and older. See Social Security Administration (SSA), *Monthly Statistical Snapshot, August 2022*, Table 1, at https://www.ssa.gov/policy/docs/quickfacts/stat_snapshot/.

⁵ See CRS In Focus IF10482, *Supplemental Security Income (SSI)*, by William R. Morton.

⁶ See CRS Report 98-810, *Federal Employees' Retirement System: Benefits and Financing*, by Katelin P. Isaacs, and CRS Report 98-972, *Federal Employees' Retirement System: Summary of Recent Trends*, by Katelin P. Isaacs.

⁷ Examples include the Employee Retirement Income Security Act (ERISA, P.L. 93-406) and the Revenue Act of 1978 (P.L. 95-600).

largest tax expenditures in the federal budget and will reduce federal tax revenues by an estimated \$184 billion in FY2023.⁸

Congress may be interested in the sources and amounts of income among aged individuals, given that current and projected limitations of social insurance and retirement programs may affect retirement income security among the older population. For example, Social Security is facing a projected long-range funding shortfall.⁹ The Social Security trust funds began to decline in 2021 and the Board of Trustees project that the asset reserves will be depleted in 2035. After depletion of trust fund reserves, the program's continuing income would be sufficient to pay 80% of benefits scheduled under current law in 2035, declining to 74% of scheduled benefits in 2096.¹⁰ Moreover, Social Security provides benefits to most retirees, and many aged individuals rely on Social Security benefits for a substantial portion of their income. However, the benefit amounts for certain individuals are below the poverty line, such as some long-term low-wage earners.¹¹ In addition, Congress has expressed interest in policies affecting pensions and retirement savings as the pension landscape has changed in recent decades. In the private sector, employer-sponsored defined benefit (DB) pension plans, which guarantee retirees a lifetime stream of cash benefits, have largely been replaced by defined-contribution (DC) retirement plans, such as 401(k) plans, in which retirement income is based on funds that accumulate in a worker's account.¹² However, data from Internal Revenue Service (IRS) tax statistics has shown that about half of taxpayers with wage income did not have access to DC plans between 2008 and 2017.¹³

Additionally, the sources and amounts of income for aged individuals vary substantially by demographic and socioeconomic characteristics. Understanding income disparities among aged individuals could help identify vulnerable populations and identify targeted policy options. For example, research has shown large and persistent disparities in retirement income and wealth across socioeconomic characteristics.¹⁴ Evidence also shows that Social Security and SSI accounted for a larger share of total income among lower-income individuals aged 65 and older,¹⁵ and DB pensions remain a vital resource for those who expect such income in retirement, which is about 18% of White families, 18% of Black families, and 12% of Hispanic families with heads aged 40 to 59 in 2019.¹⁶

⁸ OMB, *Budget of the United States Government, Fiscal Year 2023: Analytical Perspectives*, Table 13-1, at <https://www.govinfo.gov/content/pkg/BUDGET-2023-PER/pdf/BUDGET-2023-PER.pdf>. Other large tax expenditures in the federal budget may include the exclusion of employer contributions for medical insurance premiums and medical care. Congress also allows taxpayers aged 65 and older to claim an additional standard deduction on their income tax returns. This deduction will reduce federal tax revenues by an estimated \$6.5 billion in FY2023.

⁹ See CRS In Focus IF10522, *Social Security's Funding Shortfall*, by Barry F. Huston.

¹⁰ Social Security 2022 Annual Report.

¹¹ See CRS Report R43615, *Social Security: Minimum Benefits*, by Zhe Li.

¹² See CRS Report R43439, *Worker Participation in Employer-Sponsored Pensions: Data in Brief*, by John J. Topoleski and Elizabeth A. Myers.

¹³ Karen E. Smith, C. Eugene Steuerle, and Damir Cosic, *Preparing for Retirement Reforms: Potential Consequences for Saving, Work, and Retirement Plans*, the Urban Institute, October 2021.

¹⁴ Government Accountability Office, *Retirement Security: Income and Wealth Disparities Continue Through Old Age*, GAO-19-587, August 2019.

¹⁵ Adam Bee and Joshua Mitchell, *Do Older Americans Have More Income Than We Think?*, Census Bureau, SESHD Working Paper no. 2017-39, July 2017, at <https://www.census.gov/content/dam/Census/library/working-papers/2017/demo/SEHSD-WP2017-39.pdf>.

¹⁶ Jeffrey Thompson and Alice Henriques Volz, *A New Look at Racial Disparities Using a More Comprehensive Wealth Measure*, Federal Reserve Bank of Boston, Current Policy Perspective, August 16, 2021.

This report describes household income for individuals aged 65 and older, based on data from the 2018 Health and Retirement Study (HRS) linked with administrative data from the Social Security Administration (SSA); 2018 is the most recent survey year for which the linked data were available. Analysis focuses on the sources and amounts of income received in the prior calendar year (2017) by aged individuals, the number and proportion of people receiving household income from each source, and the amounts of income they receive from each source. The report also shows how income received by aged individuals differs by marital status, age group, race/ethnicity, and household income level. Since policymakers may be interested in how the Social Security program affects the household income of the older population, this report also discusses the proportion of individuals aged 65 and older who substantially depend on Social Security income and the characteristics of those individuals.¹⁷

Data: Health and Retirement Study (HRS)

This report uses data from the 2018 HRS, reflecting income sources and amounts received in calendar year 2017. Administrative records from the SSA, linked to the HRS at the individual level, provide data on the receipt and amount of Social Security benefits, SSI payments, earnings, and self-employment income.

The HRS has become a leading source of data on aging in America.¹⁸ A longitudinal, nationally-representative survey of the population over age 50, the HRS core survey is conducted by the University of Michigan's Institute for Social Research (Michigan/ISR) every two years through a combination of face-to-face and telephone interviews. Information is collected at both the individual and household levels on a wide-range of topics including health, health services, labor force involvement (work, earnings, retirement, disability), economic status (income sources and amounts, wealth by asset type, Social Security, pensions), family structure, and expectations. The household level data for married individuals include information from each spouse in the household. Every six years, a new six-year birth cohort is added to the HRS sample to maintain its representation of the older population. In any given wave of data collection, the HRS includes about 20,000 respondents. In total, over 43,000 respondents have participated in the HRS since its inception in 1992. This report utilized the so-called RAND HRS data files, which are a series of publicly-available, user-friendly HRS data files produced by RAND to improve the ease-of-use of the HRS and to promote the quality and consistency of the HRS data through standardized naming conventions, definitions, and documentation across HRS waves.¹⁹

HRS respondents are asked to provide written consent to authorize SSA to release Social Security and SSI benefits and earnings records to Michigan/ISR for research purposes. Across all waves of the HRS, roughly 70% of respondents have provided such consents. The linked HRS-SSA data may be accessed by authorized researchers with approved research projects, subject to a number

¹⁷ Individuals with the same cash income may have different levels of financial assets or wealth, home ownership, and non-cash benefits from government transfer programs (such as school lunch, Medicaid, and Low-Income Home Energy Assistance Program), which are also factors that affect a person's economic well-being. This report does not address these other factors. In addition, this report does not discuss the question of retirement adequacy or whether the income level is sufficient to meet retirement needs.

¹⁸ University of Michigan, Institute for Social Research (ISR), *The Health and Retirement Study: Aging in the 21st Century*, January 2017, <https://hrsonline.isr.umich.edu/sitedocs/databook/inc/pdf/HRS-Aging-in-the-21St-Century.pdf>.

¹⁹ RAND, "RAND HRS Data Products," <https://www.rand.org/well-being/social-and-behavioral-policy/centers/aging/dataprod.html>. See also Health and Retirement Study (HRS), "RAND HRS Data Products," <https://hrsdata.isr.umich.edu/data-products/rand>.

of constraints and disclosure protections proscribed by Michigan/ISR.²⁰ The combination of the richness of the HRS survey data with the details of SSA's benefits and earnings records is beneficial for a wide variety of research applications, including analysis of the income of the population 65 or older.²¹

In the sample of 2018 HRS respondents aged 65 or older, this report used SSA administrative data on Social Security and SSI benefits and earnings and self-employment income in place of HRS survey reported measures for respondents who authorized their records to be released to Michigan/ISR. If administrative records were not available (generally for respondents who did not authorize SSA to release their records to Michigan/ISR), this study used the survey reported measures. Roughly 70.9% of respondents in this study had linked SSA administrative records on Social Security benefits, while 12.4% had linked records on SSI benefits and 7.1% had linked records for earnings or self-employment income. The HRS survey data provide all other income measures. Population weights provided by the HRS are applied to all reported estimates.²²

This report defines age and other demographic variables (gender, race/ethnicity, marital status) as of the survey date. Income measures pertain to one year before the survey year (i.e., 2017). Household income for married individuals is the sum of income from each spouse in the household,²³ and for single persons (e.g., those widowed, divorced or separated, and never married) is that individual's personal income. The income used in this report is pre-tax income (before income and payroll taxes), and is as reported below:

- *Social Security* includes income from the Old Age, Survivors, and Disability Insurance (OASDI) program;²⁴
- *Earnings* include wage and salary earnings plus self-employment income;
- *Pensions and retirement savings* include income from DB pension plans, annuities, and distributions from DC retirement accounts and Individual Retirement Accounts (IRAs);²⁵
- *Asset income* includes business income, interest, dividends, and rents;

²⁰ HRS, "HRS Restricted Data," <https://hrs.isr.umich.edu/data-products/restricted-data>.

²¹ Peter V. Miller, "Is There a Future for Surveys?" *Public Opinion Quarterly*, vol. 81, issue S1, April 2017, <https://academic.oup.com/poq/article-pdf/81/S1/205/13942332/nfx008.pdf>. Paul S. Davies and T. Lynn Fisher, "Measurement Issues Associated with Using Survey Data Matched with Administrative Data from the Social Security Administration," *Social Security Bulletin*, vol. 69, no. 2, 2009, <https://www.ssa.gov/policy/docs/ssb/v69n2/v69n2p1.html>.

²² Estimates computed using different survey samples will likely differ from one another and from the "true" population value, even when the samples are drawn from the same population. The margin of error is a measure of an estimate's variability due to sampling. The larger the margin of error is in relation to the size of the estimate, the less reliable is the estimate. The HRS, although matched with administrative records for a certain percentage of the sample, likely contains nonsampling error—error due to causes other than the fact that a sample was used in place of the entire population (for instance, respondents misremembering or misreporting income amounts, respondents failing to answer the questionnaire, or errors during the processing of the data file).

²³ In the HRS, married individuals include those married and partnered.

²⁴ This report uses Social Security benefits prior to the deduction of the Medicare Part B and/or Part D premiums. For respondents with administratively matched records, the Social Security benefit amount before those deductions was used; for observations where matched data are not available, Medicare Part B and/or Part D premiums were added in instances when the respondent had deducted these amounts from reported Social Security benefits.

²⁵ This report includes IRA withdrawals as part of the income source for pensions and retirement savings, since they are treated as income for taxation purposes.

- *Public assistance* includes SSI benefits, dollars worth of Supplemental Nutrition Assistance Program (SNAP) benefits,²⁶ and other welfare income; and
- *Other income* includes veterans benefits, workers' compensation, unemployment compensation, alimony, child support, and financial assistance from friends or relatives not living in the same household.

Individual Income vs. Household Income

This report uses the definition in the RAND HRS for the household income of individuals—the household income for married individuals is the sum of income from each spouse in the household; the household income for single individuals (i.e., those widowed, divorced or separated, and never married) is their individual income.

Table 1 displays median individual income and household income for individuals aged 65 and older in 2017.²⁷ In 2017, almost all aged individuals received individual income and household income from one or more sources. Among aged individuals with income, the median individual income was \$29,214, compared to the median household income of \$51,906. The difference between individual income and household income primarily resulted from married individuals, for whom the median individual income was \$32,220 and median household income was \$70,329.

Table 1. Individual Income and Household Income for Individuals Aged 65 and Older, 2017

Median income is limited to those individuals with income

	All Individuals		Married		Single Persons	
	Individual Income	Household Income	Individual Income	Household Income	Individual Income	Household Income
Percentage of Individuals with Income	99.4%	99.6%	99.4%	99.8%	99.2%	99.2%
Median Income	\$29,214	\$51,906	\$32,220	\$70,329	\$25,740	\$25,740
No. of Observations	9,011		5,054		3,947	
Weighted Population (in thousands)	51,707		31,705		19,911	

Source: CRS analysis of data from the 2018 Health and Retirement Study (HRS).

Notes: Household income for married individuals is the sum of income from each spouse in the household. All values displayed in the table have been adjusted for population weights provided by the HRS. A small number of individuals did not report marital status in the survey. Those individuals are included in the all individuals count, but not in the married individuals or single individuals counts.

Compared with individual income, household income is generally considered to be a better measure for the income that is available to an aged individual.²⁸ For example, many married couples share expenses in the household and may make financial decisions jointly, such as how many hours to work, who provides caregiving, and how much to save for education, retirement, and other major expenditures. Some sources of income may

²⁶ The HRS collects information about the “dollars worth” of SNAP benefits, which are included in the income sources. The SNAP, formerly called the Food Stamp Program, is designed primarily to increase the food purchasing power of eligible low-income households to help them buy a nutritionally adequate low-cost diet. For more information about SNAP, see CRS Report R42505, *Supplemental Nutrition Assistance Program (SNAP): A Primer on Eligibility and Benefits*, by Randy Alison Aussenberg and Gene Falk.

²⁷ The median household income lies at the middle of the household income distribution. Half of individuals have higher household income, and half have lower household income. The average household income is generally higher than the median household income because a relatively small percentage of individuals have very high amounts of household income. The median is therefore widely considered to be a more accurate measure of the household income of a “typical” individual.

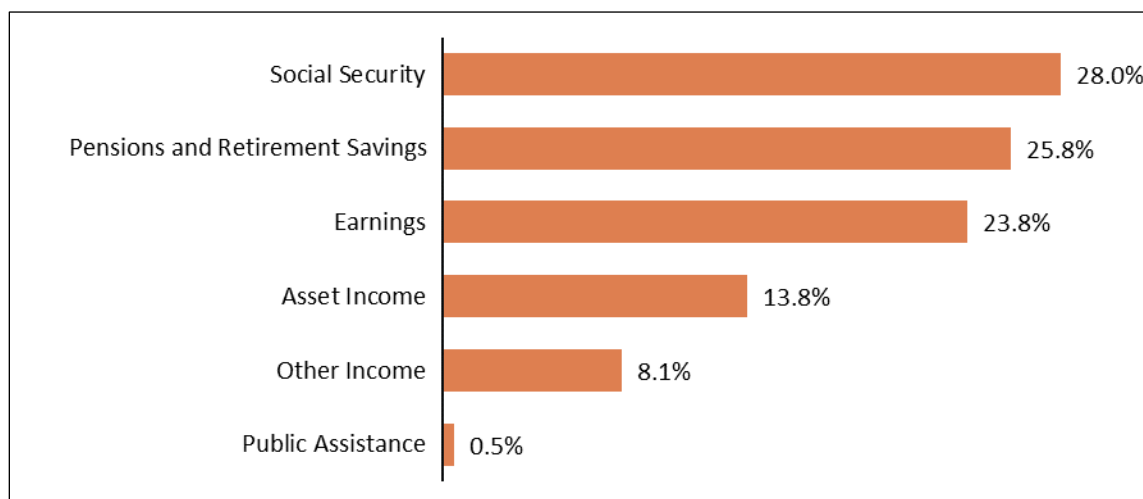
²⁸ T. Lynn Fisher, “The Impact of the Unit of Observation on the Measurement of the Relative Importance of Social Security Benefits to the Elderly,” *Social Security Bulletin*, vol. 67, no. 2 (2007).

also be jointly received by married couples, such as interest income from a jointly held financial account. Under Social Security, a dependent spouse may receive monthly benefits based on the working spouse's earnings records.²⁹ In addition, household income may be used to determine the individual's eligibility for means-tested programs (e.g., SSI),³⁰ as those resources may be deemed available to meet the needs of the individual. For this reason, this report shows the household income level for aged individuals unless otherwise noted.

Income Sources for Individuals Aged 65 and Older

The population aged 65 and older receive their income from Social Security, pensions and retirement savings, earnings, asset income, public assistance, and other sources.³¹ In 2017, about three-quarters of aggregate income of aged individuals came from Social Security, pensions and retirement savings, and earnings. Social Security was the largest single source of income among the aged, accounting for 28.0% of aggregate income, while pensions and retirement savings constituted 25.8% of income, and earnings accounted for 23.8%. The remaining one-quarter of aggregate income included income from assets, public assistance, and other sources (see **Figure 1**).

Figure 1. Share of Aggregate Income from Each Source Among Individuals Aged 65 and Older, 2017



Source: CRS analysis of data from the 2018 Health and Retirement Study (HRS).

Notes: Pensions and retirement savings include pension income from employer-sponsored defined benefit and defined contribution plans, annuities, and withdrawals from Individual Retirement Accounts (IRAs). Asset income includes business income, interest, dividends, and rents. Other income includes veteran benefits, workers' compensation, unemployment compensation, alimony, child support, and financial assistance from friends or relatives not living in the same household. Public assistance includes Supplemental Security Income (SSI) benefits, dollars worth of SNAP benefits, and other welfare income. All values displayed in the table have been adjusted for population weights provided by the HRS. The sum of the components may not equal 100% due to rounding.

Table 2 displays the share of individuals aged 65 and older who received household income from each income source in 2017. Among aged individuals with each type of income, the figure also shows the median income amount for households who received that type of income. Detailed

²⁹ See CRS Report R41479, *Social Security: Revisiting Benefits for Spouses and Survivors*, by Zhe Li.

³⁰ See CRS In Focus IF10482, *Supplemental Security Income (SSI)*, by William R. Morton.

³¹ Other income includes veteran benefits, workers' compensation, unemployment compensation, alimony, child support, and financial assistance from friends or relatives not living in the same household.

information regarding the distribution of household income for each income source is shown in **Table A-1**.

Table 2. Share of Individuals Aged 65 and Older in Households That Received Income, and Median Amount of Household Income, by Income Source, 2017

Median income is limited to those individuals with each income source

Income Sources	Share of Individuals in Households that Received	
	Income	Median Household Income (\$)
Total	99.6%	51,906
Social Security	92.6%	22,080
Pensions and Retirement Savings	59.8%	18,000
Asset Income	54.5%	1,400
Earnings	36.5%	32,000
Public Assistance	8.1%	1,764
Other Income	16.9%	15,600
No. of Observations		9,011
Weighted Population (in thousands)		51,707

Source: CRS analysis of data from the 2018 Health and Retirement Study (HRS).

Notes: Pensions and retirement savings include pension income from employer-sponsored defined benefit and defined contribution plans, annuities, and withdrawals from Individual Retirement Accounts (IRAs). Asset income includes business income, interest, dividends, and rents. Other income includes veteran benefits, workers' compensation, unemployment compensation, alimony, child support, and financial assistance from friends or relatives not living in the same household. Public assistance includes SSI benefits, dollars worth of SNAP benefits, and other welfare income. All values displayed in the table have been adjusted for population weights provided by the HRS.

Social Security

Social Security provides monthly cash benefits to insured retired or disabled workers, their family members, and certain family members of deceased workers.³² Workers become insured for Social Security benefits for themselves and their family members by working in Social Security-covered employment and by making payroll tax contributions on those earnings.³³ Among other requirements, a worker generally needs 40 earnings credits (10 years of covered employment) to be eligible for a Social Security retired-worker benefit.³⁴ The Social Security *full retirement age* (FRA) is the age at which workers can first claim *full* Social Security retired-worker benefits. The FRA ranges between 65 and 67, depending on year of birth. Workers can claim Social Security

³² See CRS Report R42035, *Social Security Primer*, by Barry F. Huston.

³³ An estimated 94% of workers worked in paid employment or self-employment covered by Social Security, and their earnings are subject to the Social Security payroll tax. Employers and employees each pay 6.2% of covered earnings, up to an annual limit on taxable earnings (\$147,000 in 2022). For more information, see SSA, *Fact Sheet on the Old-Age, Survivors, And Disability Insurance Program*, July 22, 2022, at https://www.ssa.gov/OACT/FACTS/fs2022_06.pdf.

³⁴ A worker may earn up to four earnings credits per calendar year. In 2022, a worker earns one credit for each \$1,510 of covered earnings, up to a maximum of four credits for covered earnings of \$6,040 or more. Fewer earnings credits are needed to qualify for a disabled-worker benefit; the number needed varies depending on the age of the worker when he or she became disabled. Earnings credits are also called quarters of coverage.

retired-worker benefits as early as age 62, the early eligibility age (EEA). However, workers who claim benefits before the FRA are generally subject to a permanent reduction in their benefits.³⁵ Spouses can also claim reduced spousal benefits based on the worker's earnings as early as age 62.³⁶ Social Security benefits for a household can include those for retired workers, disabled workers,³⁷ dependent spouses, and survivors.³⁸

Social Security benefits generally increase with career-average earnings. This means that low-paid workers receive relatively lower benefits than high-paid workers. The Social Security benefit formula, however, is progressive—it is weighted to replace a greater share of career-average earnings for low-paid workers than for high-paid workers, who were expected to be able to save more individually than lower-paid workers. Therefore, low-paid workers receive relatively higher benefits relative to their career-average earnings and payroll tax contributions.

In 2017, Social Security benefits were the most common source of income among individuals aged 65 and older. Most individuals aged 65 and older received household income from Social Security (92.6%).³⁹ For individuals whose households had Social Security beneficiaries, the median household benefit amount was \$22,080. Most aged individuals (about 80%) received household Social Security benefits between \$10,000 and \$40,000; about 10% of aged individuals received household benefits less than \$10,000, and about 10% received household benefits more than \$40,000.⁴⁰

Pensions and Retirement Savings

Pensions and retirement savings include pension income from employer-sponsored DB and DC plans, annuities, and withdrawals from IRAs.⁴¹ In 2017, about 59.8% of individuals aged 65 and older received household income from pensions and retirement savings, with a median household amount of \$18,000 among those with these types of income. Household income from pensions and retirement savings varied substantially across the aged population. Among aged individuals who received household income from pensions and retirement savings, about 35% received less than \$10,000, while about 25% received more than \$40,000.⁴²

In 2017, the largest component in pensions and retirement savings was income from employer-sponsored DB and DC pensions. DB plans usually offer a lifetime annuity (i.e., periodic payments throughout retirement) that is typically based on a combination of factors, such as an

³⁵ See CRS Report R44670, *The Social Security Retirement Age*, by Zhe Li.

³⁶ Other types of dependents can claim benefits before the age of 62. Widow(er)'s benefits can be claimed as early as age 60; disabled widow(er)'s benefits can be claimed as early as age 50. These benefits are also subject to reduction if claimed before the FRA. There is no minimum eligibility age for dependent child's benefits. Disability benefits are not reduced for claiming age relative to the FRA.

³⁷ Upon reaching the FRA, disabled-worker beneficiaries are converted automatically to the Old-Age and Survivors Insurance program, and begin receiving unreduced Social Security retired-worker benefits.

³⁸ The total amount of Social Security benefits payable to a family based on a retired, disabled, or deceased worker's record is capped by the maximum family benefit. Social Security Act, Title II, §203. For more information, see CRS Report R42035, *Social Security Primer*, by Barry F. Huston.

³⁹ For discussion of the population not covered by Social Security, see CRS In Focus IF11824, *Social Security: Who Is Covered Under the Program?*, by Paul S. Davies.

⁴⁰ CRS analysis of restricted data from the 2018 HRS. For additional information, see **Table A-1**.

⁴¹ See CRS Report R47119, *Pensions and Individual Retirement Accounts (IRAs): An Overview*, coordinated by Elizabeth A. Myers, and CRS Report RS22350, *Railroad Retirement Board: Retirement, Survivor, Disability, Unemployment, and Sickness Benefits*, by Zhe Li.

⁴² CRS analysis of restricted data from the 2018 HRS. For additional information, see **Table A-1**.

employee's tenure, salary, and an accrual rate.⁴³ DC plans, such as 401(k) plans, are retirement savings accounts generally funded through voluntary pre-tax contributions by the worker, which are sometimes partially or fully matched by the employer.⁴⁴ The employee determines how much to invest and how to allocate these funds among the investment options. Retired households can generally withdraw funds out of these accounts as a source of income, but face decisions regarding the timing, rate, and form of withdrawal.⁴⁵ In 2017, about 44.9% of individuals aged 65 and older received household income from DB or DC pensions; the median household amount was \$16,020 (see **Table A-1**).

A relatively small share of aged individuals (7.9%) received household income from non-pension annuities in 2017. Annuities may take different forms.⁴⁶ Annuities can be used to reduce the likelihood that people may outlive their resources and to alleviate some post-retirement investment risks. Among aged individuals who received household income from non-pension annuities in 2017, the median amount was \$8,832 (see **Table A-1**).

Retirement income can also include distributions from IRAs.⁴⁷ Individuals who have earned income (e.g., wages, salaries, commissions, self-employment income) can establish IRAs to accumulate funds for retirement on a tax-advantaged basis.⁴⁸ Though many individuals contribute directly to an IRA, the majority of IRA funds come from rollovers of DC plan assets.⁴⁹ In 2017, about 29.3% of aged individuals received household income from withdrawals from IRA accounts. The median household withdrawal was \$8,167 among those aged individuals with this type of income (see **Table A-1**).

⁴³ DB pension plans in the private sector are generally funded entirely by employer contributions. In contrast, many public-sector pension plans require employee contributions.

⁴⁴ An employee may contribute up to \$20,500 (\$27,000 if age 50 or older) per year to a 401(k) plan in 2022. The contribution limit is adjusted annually for increases in the national wage. Some DC plans can be funded solely by employers. Contributions in Roth 401(k) accounts are after-tax. For more information, see U.S. Department of the Treasury (Treasury), Internal Revenue Service (IRS), *2022 Limitations Adjusted As Provided in Section 415 (d), etc.*, Notice 2021-61, at <https://www.irs.gov/pub/irs-drop/n-21-61.pdf>.

⁴⁵ After reaching a specified age or inheriting an account, individuals with employer-sponsored DC plans and traditional IRAs generally have to begin taking required minimum distributions (RMDs) from their accounts. Under current law, the RMD is a minimum amount that must be withdrawn each year after the account holder reaches age 72 (in the case of DC plans, account holders who work past age 72 may start taking RMDs after retirement, though exceptions apply for account holders who own more than 5% of the business sponsoring the plan). Failure to take the RMD results in a tax penalty equal to 50% of the amount that should have been distributed.

⁴⁶ A life annuity—also called an immediate annuity—is an insurance contract that provides guaranteed income payments for life in return for an initial lump-sum premium. A life annuity pays income to the purchaser for as long as he or she lives and, in the case of a joint and survivor annuity, for as long as the surviving spouse lives. Another annuity product, the Advanced Life Deferred Annuity, can be purchased at retirement with a smaller share of accumulated assets and payments beginning at a later age, such as 85. People can also purchase an inflation-adjusted annuity that provides annual increases in income.

⁴⁷ The HRS does not distinguish between traditional IRAs and Roth IRAs in the income sources of respondents and their spouses (if any).

⁴⁸ Individuals may contribute up to \$6,000 (\$7,000 if 50 or older) in 2022 to an IRA. The contribution limit is adjusted annually for increases in the national wage. For more information, see CRS Report RL34397, *Traditional and Roth Individual Retirement Accounts (IRAs): A Primer*, by Elizabeth A. Myers.

⁴⁹ See Investment Company Institute (ICI), *The US Retirement Market, Second Quarter 2022*, Tables 11 and 12, at <https://www.ici.org/research/stats/retirement>. Rollovers are transfers of assets from one retirement plan to another retirement plan, often upon separation from an employer. Generally, individuals may roll over account balances from employer-sponsored pension plans into traditional or Roth IRAs upon separation from employment.

Asset Income

Asset income includes capital income from business, rent, interest, and dividends. Asset income is relatively common among individuals aged 65 and older. In 2017, approximately 54.5% of aged individuals received household income from assets; the median household amount was \$1,400. Most received small amounts of such income. Roughly 25% of aged individuals who had household income from assets received less than \$80 and nearly 75% received less than \$14,453.⁵⁰

Earnings

Earnings include income from wages and salaries and self-employment. Older individuals generally leave the labor force or reduce working hours when they age. In 2017, about 36.5% of individuals aged 65 and older had household income from earnings. Most of those aged workers (81%) were between ages 65 and 74. Among individuals with workers in their households, the median household earnings amount was \$32,000 (the largest median amount for any of the income sources). The household earnings amount was less than \$9,000 for one-fourth of aged individuals with household earnings, and it was more than \$73,700 for another one-fourth of those individuals.

A larger share of aged individuals received income from wages and salaries (30.6%) than from self-employment (12.6%) in 2017. The median household wages and salaries was \$30,000 among aged individuals who received household income from those income sources, compared with \$15,000 for household self-employment income (see **Table A-1**).

Public Assistance

Public assistance includes SSI and other public assistance (e.g., welfare and dollars worth of SNAP).⁵¹ In 2017, 8.1% of aged individuals received household income from public assistance, and their median annual household benefit amount was \$1,764. The household public assistance amount was less than \$10,000 for most aged individuals.⁵²

SSI is a needs-based federal assistance program that provides monthly cash benefits to aged, blind, and disabled individuals who have income and assets within prescribed program limits. The program is intended to provide a guaranteed minimum level of income to adults who have difficulty meeting their basic living expenses due to age (65 and older) or disability, and who have little or no Social Security or other income.⁵³ The proportion of the elderly population receiving SSI has steadily fallen since the program began in 1974,⁵⁴ mainly because the percentage of people aged 65 and older who received Social Security benefits has increased and the value of Social Security benefits—which reduces the value of one’s SSI payment on a dollar-for-dollar basis after a \$20 general income exclusion—has risen due to the growth in real wages.

⁵⁰ CRS analysis of restricted data from the 2018 HRS. For additional information, see **Table A-1**.

⁵¹ In the HRS, the Supplemental Nutrition Assistance Program (SNAP) is referred to as Food Stamps, which was the old name of the program. See CRS Report R42505, *Supplemental Nutrition Assistance Program (SNAP): A Primer on Eligibility and Benefits*, by Randy Alison Aussenberg and Gene Falk.

⁵² CRS analysis of restricted data from the 2018 HRS. For additional information, see **Table A-1**.

⁵³ See CRS In Focus IF10482, *Supplemental Security Income (SSI)*, by William R. Morton.

⁵⁴ In 1975, about 10% of the elderly population in the United States received some form of public assistance from the federal or state governments, mainly from SSI. CRS analysis of the Current Population Survey (CPS), 1976 Annual Social and Economic Supplement (ASEC).

The SSI federal benefit rate, in contrast, grows at the annual rate of price inflation.⁵⁵ In 2017, about 3.5% of individuals aged 65 and older received SSI benefits in household income; the median benefit amount was \$4,680 among SSI recipients (see **Table A-1**). About 80% of aged individuals who received household income from SSI were in the bottom 20% of the household income distribution, and more than half were in poverty.⁵⁶

Roughly 6.1% of aged individuals received household income from SNAP and other welfare programs in 2017; the median household amount was \$912 (see **Table A-1**).

Other Income

Individuals aged 65 and older may also receive household income from veteran benefits, workers' compensation, unemployment compensation, alimony, child support, and financial assistance from friends or relatives not living in the same household. In 2017, about 16.9% of aged individuals received household income from other sources; the median household amount among those individuals was \$15,600.

Income for Aged Individuals, by Marital Status

In 2018 (the survey year), about 61.4% of individuals aged 65 and older were married, 21.6% were widowed, 12.3% were divorced or separated, and 4.6% were never married.⁵⁷

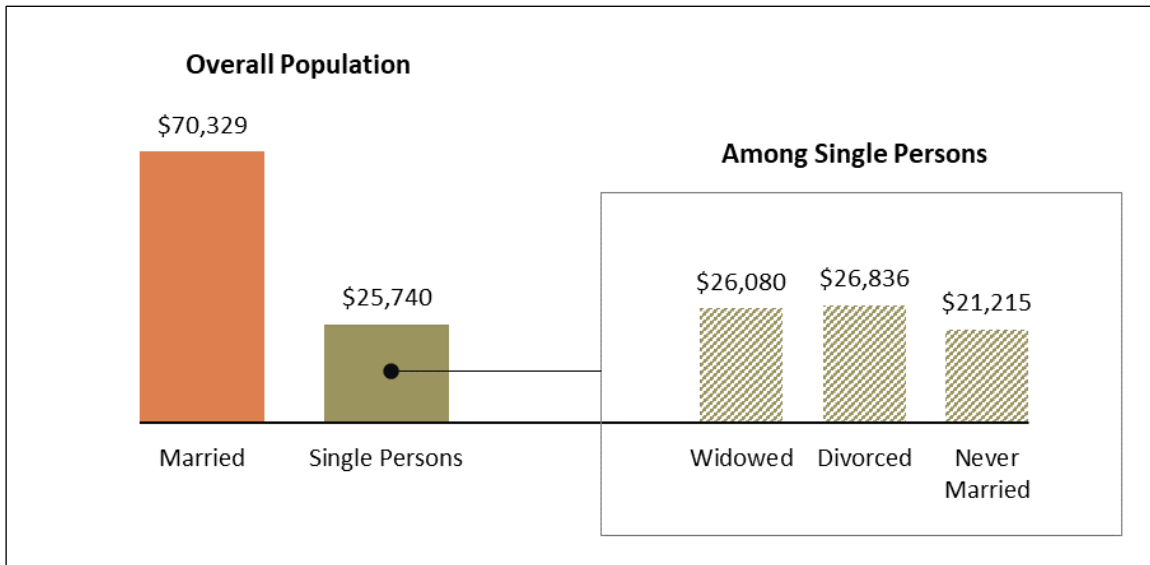
In general, aged individuals who were married tend to have a higher median household income than single individuals (those widowed, divorced or separated, and never married), since a married individual might have household income from more than one person. In 2017, the median household income for married individuals aged 65 or older was \$70,329, compared with \$26,080 for widow(er)s, \$26,836 for divorced or separated individuals, and \$21,215 for never married individuals (see **Figure 2**).

⁵⁵ In any given year the rate of price inflation may exceed the rate of growth of average wages. Over long periods, however, wages grow faster than prices because average wages grow at the average rate of inflation *plus* the rate of growth of labor productivity. Prices will grow faster than wages in the long run only if labor productivity fails to increase.

⁵⁶ Poverty status is determined based on the definition by U.S. Census Bureau. See U.S. Census Bureau, "Poverty Thresholds," at <https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-poverty-thresholds.html>; and Delia Bugliari, et al., *RAND HRS Longitudinal File 2018 (V2) Documentation*, RAND, July 2022, Section "4. Poverty Threshold Definitions and HRS Measures."

⁵⁷ Percentages may not add to 100% due to rounding.

Figure 2. Median Household Income for Individuals Aged 65 and Older by Marital Status, 2017



Source: CRS analysis of data from the 2018 Health and Retirement Study (HRS).

Notes: Married individuals include those married or partnered. Divorced individuals include those divorced and separated. Household income for married and partnered individuals is the sum of income from each spouse in the household. The sample in this figure includes a small share of individuals aged 65 and older (about 0.2%) who did not receive household income in 2017. All values displayed in the figure have been adjusted for population weights provided by the HRS.

Figure 3 shows the share of individuals aged 65 and older who received household income from each income source, based on their marital status in 2017. The receipt of Social Security in household income was generally common among both married individuals and single persons.

A larger percentage of married individuals aged 65 and older received household income from pensions and retirement savings and asset income than single persons. About 65.5% of married individuals received household income from pensions and retirement savings, compared with 53.9% for widowed individuals, 46.4% for those divorced or separated, and 40.6% for those never married. Similarly, around 61.0% of married individuals aged 65 and older received asset income in household income, compared with 46.9% for widow(er)s, 41.4% for divorced or separated individuals, and 38.8% for never married individuals.

Aged individuals who were married were also more likely to receive household income from earnings than single persons. About 46.4% of married individuals aged 65 and older received household income from earnings, compared to 14.1% for widow(er)s, 31.2% for those divorced or separated, and 24.3% for those never married. Aged widow(er)s were least likely to work, partly because about half of them were aged 80 and older and had left the labor force.

In contrast, a larger percentage of single persons received household income from SSI or other public assistance than married individuals. About 19.4% of never married individuals aged 65 and older received household income from public assistance, compared with 16.6% for those divorced or separated, 10.5% for widow(er)s, and 4.6% for those married.

Figure 3. Share of Individuals Aged 65 and Older That Received Household Income from Each Income Source by Marital Status, 2017

	Social Security	Pensions & Retirement Savings	Asset Income	Earnings	Cash Public Assistance	Other Income
Overall Population						
Married	93.3%	65.5%	61.0%	46.4%	4.6%	20.3%
Single Persons	91.7%	50.6%	44.2%	20.8%	13.5%	11.6%
Among Single Persons						
Widowed	94.9%	53.9%	46.9%	14.1%	10.5%	13.4%
Divorced	89.5%	46.4%	41.4%	31.2%	16.6%	10.3%
Never Married	82.7%	46.0%	38.8%	24.3%	19.4%	7.2%

Source: CRS analysis of data from the 2018 Health and Retirement Study (HRS).

Notes: Married individuals include those married or partnered. Divorced individuals include those divorced and separated. Pensions and retirement savings include pension income from employer-sponsored defined benefit and defined contribution plans, annuities, and withdrawals from Individual Retirement Accounts (IRAs). Asset income includes business income, interest, dividends, and rents. Other income includes veteran benefits, workers' compensation, unemployment compensation, alimony, child support, and financial assistance from friends or relatives not living in the same household. Public assistance includes SSI benefits, dollars worth of SNAP benefits, and other welfare income. All values displayed in the table have been adjusted for population weights provided by the HRS.

Figure 4 displays the share of aggregate income from each income source for individuals aged 65 and older by marital status in 2017. Social Security benefits accounted for a larger proportion of total income for aged single persons than for married individuals. Social Security benefits accounted for 37.6% of total income for widow(er)s, 31.5% for divorced or separated individuals, and 31.9% for never married individuals, compared with 24.8% for married individuals. The proportions of total income from pensions and retirement savings, asset income, and public assistance were also higher for aged single persons than for married individuals, respectively.

Differently, earnings accounted for a larger proportion of total income for aged individuals who were married than for aged single persons. This is partly because married individuals were more likely to receive household income from earnings and the median earnings were usually higher than the median of other income sources.

Figure 4. Share of Aggregate Income from Each Income Source Among Individuals Aged 65 and Older by Marital Status, 2017

	Social Security	Pensions & Retirement Savings	Asset Income	Earnings	Public Assistance	Other Income
Overall Population						
Married	24.8%	26.1%	12.7%	28.1%	0.2%	8.2%
Single Persons	34.9%	25.1%	16.1%	14.7%	1.2%	8.0%
Among Single Persons						
Widowed	37.6%	27.4%	17.1%	8.8%	0.6%	8.5%
Divorced	31.5%	20.7%	15.4%	22.1%	2.0%	8.3%
Never Married	31.9%	27.1%	13.4%	21.5%	2.0%	4.1%

Source: CRS analysis of data from the 2018 Health and Retirement Study (HRS).

Notes: Married individuals include those married or partnered. Divorced individuals include those divorced and separated. Pensions and retirement savings include pension income from employer-sponsored defined benefit and defined contribution plans, annuities, and withdrawals from Individual Retirement Accounts (IRAs). Asset income includes business income, interest, dividends, and rents. Other income includes veteran benefits, workers' compensation, unemployment compensation, alimony, child support, and financial assistance from friends or relatives not living in the same household. Public assistance includes SSI benefits, dollars worth of SNAP benefits, and other welfare income. All values displayed in the table have been adjusted for population weights provided by the HRS. Individual components may not sum to 100% due to rounding.

Income for Aged Individuals, by Household Income Quintiles

The sources of income received by individuals 65 and older whose household incomes are at the lower end of the household income distribution differ from the sources of income of people at the upper end of the household income distribution. **Figure 5** shows the share of aged individuals who received household income from different income sources by household income quintile in 2017. Each quintile represents 20% of the aged population. The first quintile depicts the 20% of aged individuals with the least household income, and the fifth quintile depicts the 20% of aged individuals with the most household income. In 2017, receipt of Social Security in household income was generally common among aged individuals throughout the household income distribution, while receipt of other income sources generally differs across the household income distribution.

A smaller percentage of aged individuals with relatively lower household income received pensions and retirement savings in 2017 compared with those with higher household income. About 19.3% of aged individuals in the bottom household income quintile received household income from pensions and retirement savings, compared to 55.2% of those in the 2nd household income quintile, and roughly three-quarters of those in each of the top three household income quintiles (**Figure 5**). The finding that aged individuals with lower household income were less likely to receive income from pensions and retirement savings might be due to lower labor force

participation during their working years, less income available for savings, or lower access to pension plans.

Earnings were also less prevalent among aged individuals with relatively lower household income in 2017. About 9.5% of aged individuals in the bottom household income quintile received household income from earnings, compared with almost 67.2% among those in the top household income quintile (**Figure 5**). This is partly because aged individuals with the most household income were relatively younger and still remained in the labor force. Approximately 74% of aged individuals in the top household income quintile were aged 74 and younger, compared with 49% of those in the bottom household income quintile.

In addition, **Figure 5** shows that aged individuals at the lower end of the household income distribution were also less likely to receive household income from assets and other sources. For example, in 2017, nearly 18.9% of aged individuals in the bottom household income quintile received household income from assets, compared with about 82.2% among those in the top household income quintile. About 3.8% of aged individuals in the bottom quintile of the household income distribution received some other income, compared with more than 28.2% among those in the top household income quintile.

Differently, aged individuals who were in the bottom household income quintile were more likely to receive household income from public assistance. In 2017, **Figure 5** shows that about 29.0% of aged individuals in the bottom quintile of the household income distribution received SSI or other public assistance, compared with less than 6% for aged individuals with higher household income.

For the percentage of aged individuals who received household income from detailed income sources by household income quintile and marital status, see **Table A-2**.

Figure 5. Share of Individuals Aged 65 and Older That Received Household Income from Selected Source by Household Income Quintile, 2017

Household Income Quintile	Social Security	Pensions & Retirement Savings	Asset Income	Earnings	Public Assistance	Other Income
All Individuals						
1st	90.1%	19.3%	18.9%	9.5%	29.0%	3.8%
2nd	96.7%	55.2%	43.4%	21.5%	5.4%	10.6%
3rd	95.5%	72.3%	58.2%	37.2%	2.9%	18.5%
4th	94.0%	79.6%	69.8%	47.4%	1.6%	23.7%
5th	87.0%	72.4%	82.2%	67.2%	1.4%	28.2%

Source: CRS analysis of data from the 2018 Health and Retirement Study (HRS).

Notes: Pensions and retirement savings include pension income from employer-sponsored defined benefit and defined contribution plans, annuities, and withdrawals from Individual Retirement Accounts (IRAs). Asset income includes business income, interest, dividends, and rents. Other income includes veteran benefits, workers' compensation, unemployment compensation, alimony, child support, and financial assistance from friends or relatives not living in the same household. Public assistance includes SSI, dollars worth of SNAP benefits, and other welfare income. Household income quintile brackets are \$21,840, \$39,700, \$64,295, and \$110,897. All values displayed in the table have been adjusted for population weights provided by the HRS. For information on detailed income sources, see **Table A-2**.

Figure 6 displays the share of aggregate income among aged individuals from each income source by household income quintile in 2017. Social Security was the predominant income source

for aged individuals with relatively lower household income. For example, Social Security provided 83.2% of all income received in 2017 for those in the bottom household income quintile, and 66.4% for those in the 2nd household income quintile. The share of aggregate income from Social Security significantly decreased as household income increased. Social Security paid 11.4% of all income received for aged individuals in the top household income quintile.

Except for those with the least household income, who received 5.5% of aggregate income from this source, in 2017, pensions and retirement savings provided between 18% and 33% of aggregate income for aged individuals (**Figure 6**). This income source accounted for about 30% of aggregate income for those in the 3rd and 4th household income quintile, and slightly more than 25% for those with the most household income. Aged individuals in the top household income quintile received a relatively smaller percentage of aggregate income from pensions and retirement savings partly because they also received more than half of aggregate income from asset income and earnings. Aged individuals in the bottom household income quintile received a smaller percentage of aggregate income from pensions and retirement savings mainly because a smaller percentage of those individuals received household income from those sources.

Differently, asset income and earnings accounted for a substantially larger share of total income for individuals aged 65 and older who had higher household income than those with lower household income. For example, **Figure 6** shows that asset income accounted for 19.6% of total income for aged individuals in the top household income quintile, compared with 1.6% for those in the bottom household income quintile; earnings accounted for 32.6% of total income received by aged individuals in the top household income quintile, compared with 2.9% for those in the bottom household income quintile.

Public assistance accounted for a small percentage of aggregate income for most aged individuals, although it was somewhat more important for aged individuals in the bottom household income quintile, accounting for 5.9% of aggregate income (**Figure 6**).

For the share of aggregate income from detailed income sources by household income quintile and marital status, see **Table A-3**.

Figure 6. Share of Aggregate Income from Each Source Among Individuals Aged 65 and Older by Household Income Quintile, 2017

Household Income Quintile	Social Security	Pensions & Retirement Savings	Asset Income	Earnings	Public Assistance	Other Income
All Individuals						
1st	83.2%	5.5%	1.6%	2.9%	5.9%	0.9%
2nd	66.4%	18.2%	4.2%	7.0%	0.5%	3.7%
3rd	46.1%	27.5%	6.3%	13.6%	0.3%	6.2%
4th	30.2%	33.2%	10.3%	19.6%	0.1%	6.5%
5th	11.4%	25.7%	19.6%	32.6%	0.2%	10.5%

Source: CRS analysis of data from the 2018 Health and Retirement Study (HRS).

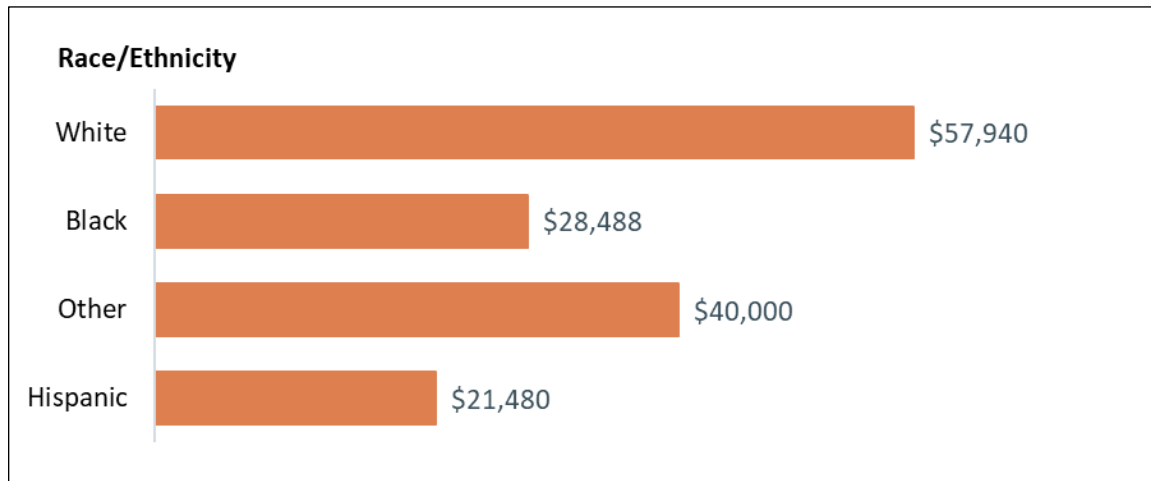
Notes: Pensions and retirement savings include pension income from employer-sponsored defined benefit and defined contribution plans, annuities, and withdrawals from Individual Retirement Accounts (IRAs). Asset income includes business income, interest, dividends, and rents. Other income includes veteran benefits, workers' compensation, unemployment compensation, alimony, child support, and financial assistance from friends or relatives not living in the same household. Public assistance includes SSI, dollars worth of SNAP benefits, and other welfare income. Household income quintile brackets are \$21,840, \$39,700, \$64,295, and \$110,897. All

values displayed in the table have been adjusted for population weights provided by the HRS. Individual components may not sum to 100% due to rounding. For information on detailed income sources, see **Table A-3**.

Income for Aged Individuals, by Race/Ethnicity

In 2018, 79.5% of aged individuals identified as non-Hispanic White, 9.3% identified as non-Hispanic Black, 8.4% identified as Hispanic of any race, and 2.8% identified as non-Hispanic of other races.⁵⁸ **Figure 7** shows the median household income in 2017 for individuals aged 65 and older by race/ethnicity. Median household income in 2017 was highest among aged individuals who identified as non-Hispanic White (\$57,940) and lowest among aged individuals who identified as Hispanic (\$21,480).

Figure 7. Median Household Income for Individuals Aged 65 and Older by Race/Ethnicity, 2017



Source: CRS analysis of data from the 2018 Health and Retirement Study (HRS).

Notes: Respondents in the White, Black and Other groups are non-Hispanic. Household income for married and partnered individuals is the sum of income from each spouse in the household. All values displayed in the table have been adjusted for population weights provided by the HRS.

Figure 8 shows the sources of household income in 2017 for individuals aged 65 and older by race/ethnicity. Social Security income was the most common source across all racial and ethnic groups. Receipt of Social Security income in 2017 was highest among those who identified as non-Hispanic White (93.2%) and lowest among those who identified as Hispanic (89.1%).

Pensions and retirement savings and asset income were the next most common income sources in 2017 among individuals aged 65 or older. While about two-thirds (66.1%) of those who identified as non-Hispanic White had income from pensions and retirement savings and 62.3% had asset income, the respective percentages for those who identified as Hispanic were 28.7% and 17.2% (**Figure 8**). Slightly more than one-third (37.6%) of those who identified as non-Hispanic Black had income from pensions and retirement savings in 2017 and less than one-quarter (23.9%) had asset income.

⁵⁸ In the HRS, other races include those who identified as American Indian, Alaskan Native, Asian, Native Hawaiian, Pacific Islander, and something else.

Between 27.6% and 38.2% of aged individuals had earnings in 2017, with earnings being most common among those who identified as non-Hispanic White and non-Hispanic of other races, and least common among those who identified as Hispanic (**Figure 8**).

Although receipt of public assistance in 2017 among individuals aged 65 and older was less common (8.1%, see **Table 2**) than receipt of other income sources, the overall rate of receipt was depressed by low receipt among those who identified as non-Hispanic White. Nearly one-quarter (23.9%) of those who identified as Hispanic received public assistance. Close to one-fifth (17.5%) of those who identified as non-Hispanic Black received public assistance income (**Figure 8**).

Up to roughly one-fifth of aged individuals received income from other sources in 2017, including veterans benefits, unemployment insurance, and workers compensation. Receipt of other income was substantially less common among those who identified as Hispanic and non-Hispanic Black compared with those who identified as non-Hispanic White and non-Hispanic of other races.

For the percentage of aged individuals who received household income from detailed income sources by race and ethnicity and marital status, see **Table A-4**.

Figure 8. Share of Individuals Aged 65 and Older That Received Household Income from Each Income Source by Race/Ethnicity, 2017

Race/ Ethnicity	Social Security	Pensions & Retirement Savings	Asset Income	Earnings	Public Assistance	Other Income
All Individuals						
White	93.2%	66.1%	62.3%	38.2%	5.1%	18.2%
Black	91.3%	37.6%	23.9%	30.5%	17.5%	14.5%
Other	91.0%	46.6%	45.6%	36.0%	12.8%	16.5%
Hispanic	89.1%	28.7%	17.2%	27.6%	23.9%	8.3%

Source: CRS analysis of data from the 2018 Health and Retirement Study (HRS).

Notes: Respondents in the White, Black and Other groups are non-Hispanic. Pensions and retirement savings include pension income from employer-sponsored defined benefit and defined contribution plans, annuities, and withdrawals from Individual Retirement Accounts (IRAs). Asset income includes business income, interest, dividends, and rents. Other income includes veteran benefits, workers' compensation, unemployment compensation, alimony, child support, and financial assistance from friends or relatives not living in the same household. Public assistance includes SSI, dollars worth of SNAP benefits, and other welfare income. All values displayed in the table have been adjusted for population weights provided by the HRS. For information on detailed income sources, see **Table A-4**.

Figure 9 shows the share of aggregate income in 2017 from each source among individuals aged 65 and older by race and ethnicity. Following the patterns of receipt described above, Social Security income accounted for the largest share of aggregate income in 2017 across most race and ethnicity groups among aged individuals. Particularly among those who identified as Hispanic and those who identified as non-Hispanic Black, Social Security accounted for a large proportion of household income in 2017 (43.6% and 39.0%, respectively).

Figure 9 shows that, taken together, pensions and retirement savings and asset income accounted for between 20% and 30% of aggregate household income in 2017 for aged individuals who identified as Hispanic or non-Hispanic Black. In contrast, pensions and retirement savings and

asset income accounted for 40% or more of aggregate household income in 2017 for those who identified as non-Hispanic White and non-Hispanic of other races.

Earnings accounted for 20%-25% of aggregate household income in 2017 across race and ethnicity groups in 2017 (**Figure 9**).

Public assistance and other income sources accounted for comparatively smaller shares of household income in 2017. Despite the relatively larger proportions of those who identified as Hispanic and non-Hispanic Black who received public assistance in 2017 (**Figure 8**), income from public assistance programs accounted for a relatively small share of aggregate household income in 2017 (less than 3%, **Figure 9**).

For the share of aggregate income from detailed income sources by race and ethnicity and marital status, see **Table A-5**.

Figure 9. Share of Aggregate Income from Each Income Source Among Individuals Aged 65 and Older by Race/Ethnicity, 2017

Race/ Ethnicity	Social Security	Pensions & Retirement Savings	Asset Income	Earnings	Public Assistance	Other Income
All Individuals						
White	26.6%	26.3%	14.7%	24.0%	0.3%	8.2%
Black	39.0%	22.6%	4.8%	24.2%	1.8%	7.6%
Other	30.1%	26.6%	14.5%	20.1%	0.6%	8.1%
Hispanic	43.6%	18.4%	5.1%	22.2%	2.9%	7.9%

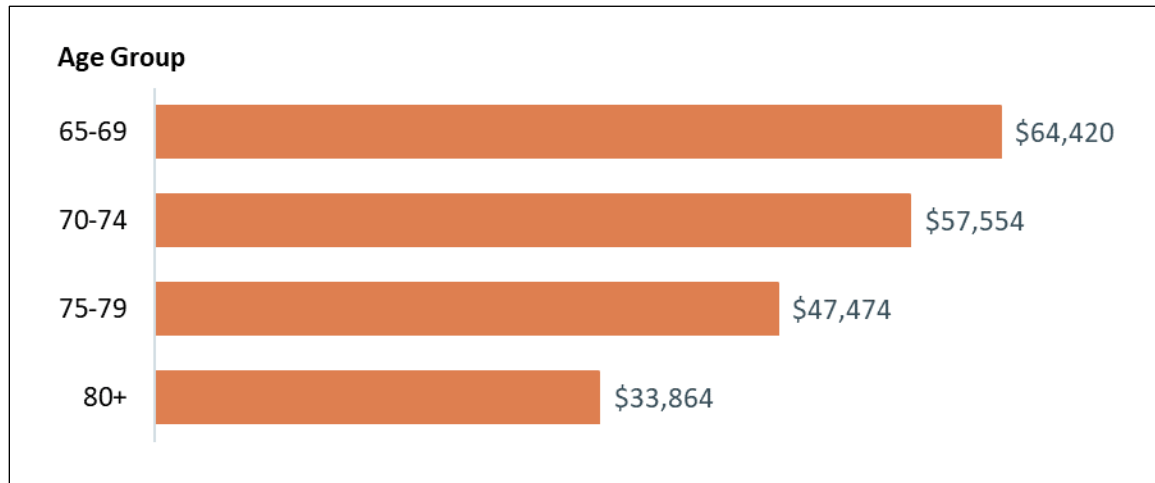
Source: CRS analysis of data from the 2018 Health and Retirement Study (HRS).

Notes: Respondents in the White, Black and Other groups are non-Hispanic. Pensions and retirement savings include pension income from employer-sponsored defined benefit and defined contribution plans, annuities, and withdrawals from Individual Retirement Accounts (IRAs). Asset income includes business income, interest, dividends, and rents. Other income includes veteran benefits, workers' compensation, unemployment compensation, alimony, child support, and financial assistance from friends or relatives not living in the same household. Public assistance includes SSI, dollars worth of SNAP benefits, and other welfare income. All values displayed in the table have been adjusted for population weights provided by the HRS. Individual components may not sum to 100% due to rounding. For information on detailed income sources, see **Table A-5**.

Income for Aged Individuals, by Age Groups

In 2018, about 33.2% of aged individuals were 65-69 years old, 25.9% were aged 70-74, 17.4% were aged 75-79, and 23.5% were aged 80 and older. Median household income in 2017 declined with age, from \$64,420 among those aged 65-69 to \$33,864 among those aged 80 and older (**Figure 10**).

Figure 10. Median Household Income for Individuals Aged 65 and Older by Age Group, 2017



Source: CRS Analysis of data from the 2018 Health and Retirement Study (HRS).

Notes: Household income for married individuals is the sum of income from each spouse in the household. All values displayed in the table have been adjusted for population weights provided by the HRS.

Figure 11 shows the share of individuals aged 65 and older who received household income in 2017 from each income source by age group. Across all age groups, Social Security was the most common income source in 2017. Among all individuals, between 83% and 98% received household income from Social Security in 2017. The lowest percentage occurred for the 65-69 age group. Some individuals in this age group may have been transitioning from the labor force to retirement, and may not yet have applied for Social Security benefits due to the increase in the FRA, as evidenced by the large proportion with earnings (59%). Aged individuals with short working histories may not qualify for Social Security and may qualify for SSI or other public assistance.

Pensions and retirement savings and asset income were the next most common income sources in 2017. There was little variation across the older age groups in the percentage who received these income sources (**Figure 11**). However, a somewhat smaller proportion of the youngest age group (ages 65-69) received income from pensions, retirement savings, and assets in 2017, again in part because a larger proportion were still working. The percentage of older individuals with household income from earnings in 2017 declined rapidly with age, from 59% of those aged 65-69 to 10.3% of those aged 80 or older.

Between 7% and 9% of individuals aged 65 and older received household income from public assistance programs in 2017, with relatively little variation across age groups (**Figure 11**). Finally, **Figure 11** shows that roughly 14% to 19% of all individuals received household income from other sources in 2017, such as veterans benefits, unemployment insurance, and workers compensation. Such income, which to some extent may be tied to recent former employment, was received less frequently among individuals aged 75-79 and 80 and older.

Figure 11. Share of Individuals Aged 65 and Older That Received Household Income from Each Income Source by Age Group, 2017

Age Group	Social Security	Pensions & Retirement Savings	Asset Income	Earnings	Public Assistance	Other Income
All Individuals						
65-69	82.9%	50.7%	54.1%	59.0%	8.9%	18.9%
70-74	97.1%	65.7%	55.6%	39.2%	8.0%	19.3%
75-79	98.2%	65.5%	55.1%	25.2%	7.3%	13.7%
80+	97.4%	61.8%	53.5%	10.3%	7.5%	14.0%

Source: CRS analysis of data from the 2018 Health and Retirement Study (HRS).

Notes: Pensions and retirement savings include pension income from employer-sponsored defined benefit and defined contribution plans, annuities, and withdrawals from Individual Retirement Accounts (IRAs). Asset income includes business income, interest, dividends, and rents. Other income includes veteran benefits, workers' compensation, unemployment compensation, alimony, child support, and financial assistance from friends or relatives not living in the same household. Public assistance includes SSI, dollars worth of SNAP benefits, and other welfare income. All values displayed in the table have been adjusted for population weights provided by the HRS.

Figure 12 shows the share of aggregate income in 2017 from each source among individuals aged 65 and older by age group. A larger share of aggregate income in 2017 for individuals aged 65-69 came from earnings, whereas the older age groups received larger shares of aggregate income from retirement sources such as Social Security, pensions and retirement savings, and asset income. For individuals aged 65-69, roughly one-fifth (20.5%) of aggregate income in 2017 was from Social Security, nearly one-fifth (17.5%) was from pensions and retirement savings, just over one-tenth (11.5%) was from asset income, and about two-fifths (41.7%) was from earnings. Conversely, for individuals aged 80 and older, over one-third (35.4%) of aggregate income in 2017 was from Social Security, slightly less than one-third (29.2%) was from pensions and retirement savings, one-quarter (24.5%) was from asset income, and 4.3% was from earnings. For all age groups, the share of aggregate income from public assistance programs in 2017 was small (generally less than 1%).

Figure 12. Share of Aggregate Income from Each Income Source Among Individuals Aged 65 and Older by Age Group, 2017

Age Group	Social Security	Pensions & Retirement Savings	Asset Income	Earnings	Public Assistance	Other Income
All Individuals						
65-69	20.5%	17.5%	11.5%	41.7%	0.4%	8.4%
70-74	29.9%	26.6%	9.6%	23.0%	0.8%	10.0%
75-79	32.7%	38.4%	13.1%	8.9%	0.4%	6.5%
80+	35.4%	29.2%	24.5%	4.3%	0.5%	6.2%

Source: CRS analysis of data from the 2018 Health and Retirement Study (HRS).

Notes: Pensions and retirement savings include pension income from employer-sponsored defined benefit and defined contribution plans, annuities, and withdrawals from Individual Retirement Accounts (IRAs). Asset income includes business income, interest, dividends, and rents. Other income includes veteran benefits, workers' compensation, unemployment compensation, alimony, child support, and financial assistance from friends or relatives not living in the same household. Public assistance includes SSI, dollars worth of SNAP benefits, and other welfare income. All values displayed in the table have been adjusted for population weights provided by the HRS. Individual components may not sum to 100% due to rounding.

Income Dependency on Social Security Benefits

As noted previously, Social Security was the most common source of income and also the largest source of income among the population aged 65 and older in 2017. Social Security income was particularly important for older individuals (aged 75 and older), aged individuals with lower household income, and aged individuals who identify as Hispanic and non-Hispanic Black.

Figure 13 measures reliance on Social Security income in 2017 among individuals aged 65 and older, presenting the proportion of individuals in aged households with Social Security income that received 50% or more, 75% or more, and 90% or more of household income from Social Security. The figures are disaggregated by age group, educational attainment, household income quintile, marital status, poverty status, race/ethnicity, and gender.⁵⁹

Among aged individuals who received household income from Social Security in 2017, nearly half (48.9%) received more than 50% their household income from Social Security, and about one-fifth (19.3%) received more than 90% of their household income from Social Security (**Figure 13**). Other studies using survey data from the Current Population Survey linked with SSA administrative records and Internal Revenue Service tax records found that 12%-14% of individuals aged 65 or older received 90% or more of household income from Social Security in 2015 and 2012.⁶⁰

Figure 13 shows that reliance on Social Security income in 2017 increased across age groups. Nearly 15% of those aged 65-69 relied on Social Security for 90% or more of household income in 2017, compared with 16.7% for those aged 70-74, 20.8% for those aged 75-59, and 26.5% for those aged 80 and older. This pattern may stem at least in part from the lifetime nature of Social Security benefits, and also highlights the importance of Social Security spouse and survivor benefits, particularly for older women.⁶¹ The estimates show that 22% of women relied on Social Security for 90% or more of household income in 2017. For widowed, divorced, and never married individuals, reliance on Social Security for 90% or more of household income in 2017 was 30.5%, 26.1%, and 30.7%, respectively.

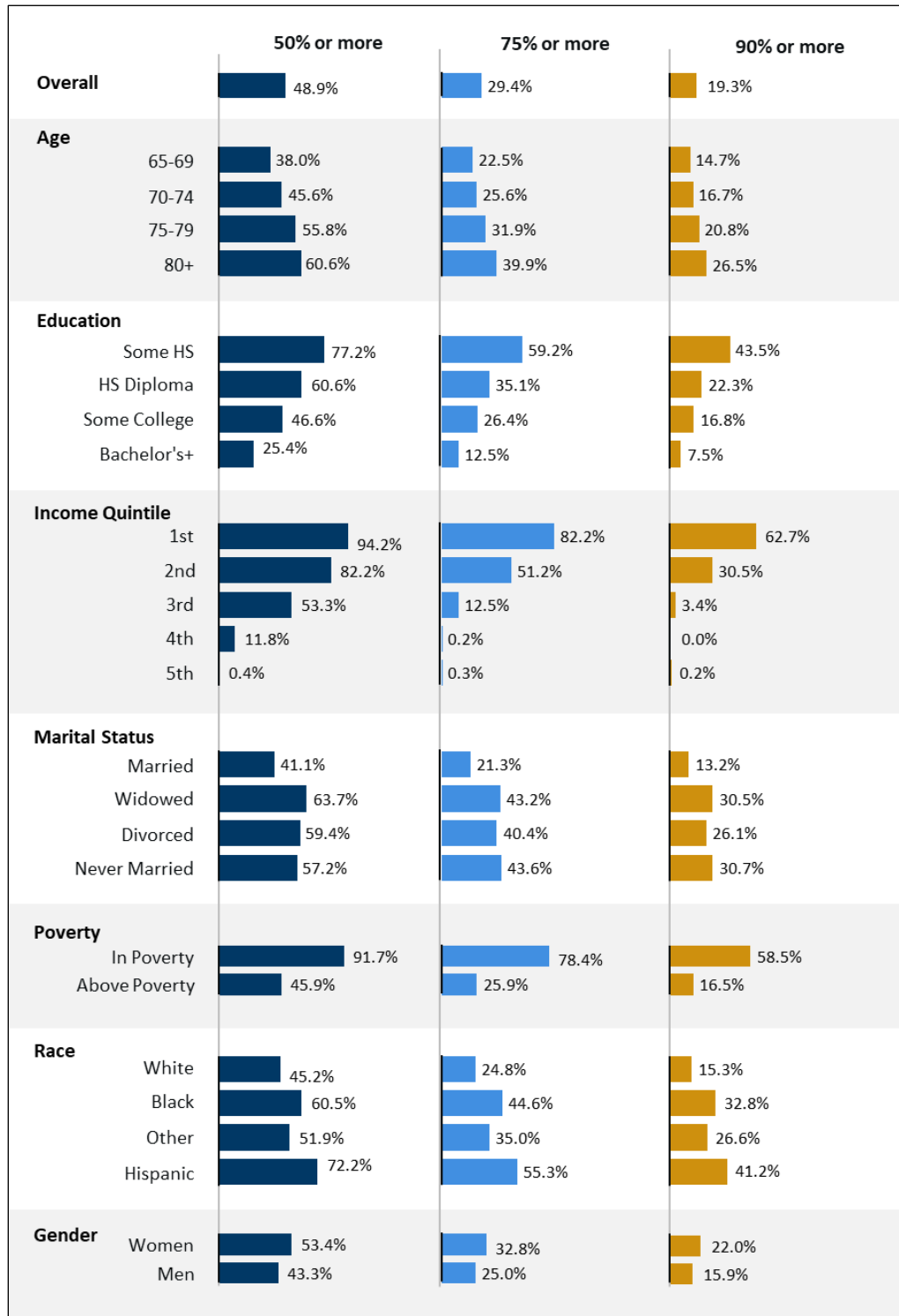
⁵⁹ Our estimates add to a long literature on reliance on Social Security income among the older population. Andrew G. Biggs and Sylvester J. Schieber, "Is There a Retirement Crisis?" *National Affairs*, no. 53, summer 2014, <https://www.nationalaffairs.com/publications/detail/is-there-a-retirement-crisis>. Social Security Administration, *Income of the Population 55 or Older, 2014*, April 2016, https://www.ssa.gov/policy/docs/statcomps/income_pop55/index.html. Irena Dushi, Howard Iams, and Brad Trenkamp, "The Importance of Social Security Benefits to the Income of the Aged Population," *Social Security Bulletin*, vol. 72, no. 2, pp. 1-12, May 2017, <https://www.ssa.gov/policy/docs/ssb/v77n2/v77n2p1.html>. Adam Bee and Joshua Mitchell, *Do Older Americans Have More Income Than We Think?*, U.S. Census Bureau, July 2017, <https://www.census.gov/content/dam/Census/library/working-papers/2017/demo/SEHSD-WP2017-39.pdf>. Anqi Chen, Alicia H. Munnell, and Geoffrey T. Sanzenbacher, *How Much Income Do Retirees Actually Have? Evaluating the Evidence from Five National Datasets*, Center for Retirement Research, November 2018, <http://crr.bc.edu/working-papers/how-much-income-do-retirees-actually-have-evaluating-the-evidence-from-five-national-datasets/>. Irena Dushi and Brad Trenkamp, "Improving the Measurement of Retirement Income of the Aged Population," ORES Working Paper No. 116, Social Security Administration, January 2021, <https://www.ssa.gov/policy/docs/workingpapers/wp116.html>.

⁶⁰ Dushi and Trenkamp (2021), Table 5. Bee and Mitchell (2017), Table 10.

⁶¹ See CRS Report R41479, *Social Security: Revisiting Benefits for Spouses and Survivors*.

Those aged individuals with less education had greater reliance on Social Security income in 2017. About 43.5% of those with less than a high school diploma and 22.3% of those with a high school diploma but no college education relied on Social Security for 90% or more of household income in 2017, compared with 7.5% of those with at least a bachelor's degree (**Figure 13**). The estimates based on household income quintile show that 62.7% of aged individuals in the bottom 20% of the household income distribution rely on Social Security for 90% or more of household income in 2017, compared with less than 1% of those in the top two household income quintiles. Similarly, 58.5% of aged individuals with household income below the poverty threshold relied on Social Security for 90% or more of household income in 2017.

About 41.2% of those who identified as Hispanic and 32.8% of those who identified as Black non-Hispanic received more than 90% of their household income from Social Security in 2017, compared with 15.3% of those who identified as White non-Hispanic and 26.6% of those identified as non-Hispanic of other races (**Figure 13**).

Figure 13. Percentage of Individuals Aged 65 and Older by Selected Proportion of Household Income from Social Security Benefits, 2017

Source: CRS Analysis of data from the 2018 Health and Retirement Study (HRS).

Notes: Statistics are among individuals 65 and older who had Social Security benefits in household income. Demographic characteristics are based on the time of the survey. Income is based on amounts received in the

previous calendar year (2017). Married individuals include those married or partnered. Divorced individuals include those divorced and separated. HS refers to High School. Poverty status is determined based on the definition by U.S. Census Bureau (see footnote 56). Respondents in the White, Black, and Other groups are non-Hispanic. Household income quintile limits are \$21,840, \$39,700, \$64,295, and \$110,897 for all individuals. All values displayed in the table have been adjusted for population weights provided by the HRS.

Appendix. Additional Income Tables for Individuals Aged 65 and Older

Table A-1. Percentage of Individuals Aged 65 and Older That Received Household Income and the Distribution of Household Income by Source of Income, 2017

Income Sources	Share with Income	Household Income Among Individuals with Income (\$)			
		25 th Percentile	50 th Percentile or Median	75 th Percentile	Average
Total	99.6%	26,339	51,906	95,340	84,864
Social Security	92.6%	15,130	22,080	31,739	23,931
Pensions and Retirement Savings	59.8%	7,000	18,000	39,500	35,329
Pensions	44.9%	6,588	16,020	34,800	31,700
Annuities	7.9%	3,564	8,832	18,000	22,413
IRA Withdrawals	29.3%	2,857	8,167	20,000	17,513
Asset Income	54.5%	80	1,400	14,453	21,466
Earnings	36.5%	9,000	32,000	73,700	61,101
Wages and Salaries	30.6%	10,000	30,000	68,000	53,521
Self-employment Income	12.6%	3,500	15,000	43,800	47,437
Public Assistance	8.1%	642	1,764	4,650	4,096
SSI	3.5%	1,680	4,680	8,880	7,146
Other Public Assistance	6.1%	348	912	1,728	1,277
Other Income	16.9%	5,004	15,600	36,560	40,608
No. of Observations	9,011	9,011	9,011	9,011	9,011
Weighted Population (in thousands)	51,707	51,707	51,707	51,707	51,707

Source: CRS analysis of data from the 2018 Health and Retirement Study (HRS).

Notes: Asset income includes business income, interest, dividends, and rents. SSI is Supplemental Security Income. Other public assistance includes dollars worth of Supplemental Nutrition Assistance Program (SNAP) benefits and other welfare income. Other income includes veteran benefits, workers' compensation, unemployment compensation, alimony, child support, and financial assistance from friends or relatives not living in the same household. All values displayed in the table have been adjusted for population weights provided by the HRS.

Table A-2. Percentage of Individuals Aged 65 and Older That Received Household Income from Each Income Source by Source of Income, Marital Status and Household Income Quintile, 2017

Income Sources	All Individuals					Married/Partnered					Single Persons				
	Household Income Quintile					Household Income Quintile					Household Income Quintile				
	1 st	2 nd	3 rd	4 th	5 th	1 st	2 nd	3 rd	4 th	5 th	1 st	2 nd	3 rd	4 th	5 th
Any income	98.0%	100.0%	100.0%	100.0%	100.0%	99.2%	100.0%	100.0%	100.0%	100.0%	96.1%	100.0%	100.0%	100.0%	100.0%
Social Security	90.1%	96.7%	95.5%	94.0%	87.0%	95.2%	96.5%	96.2%	91.4%	87.1%	83.6%	96.9%	96.2%	93.8%	87.7%
Pensions and Retirement Savings	19.3%	55.2%	72.3%	79.6%	72.4%	31.5%	70.6%	75.3%	80.2%	70.0%	8.7%	30.8%	64.9%	71.5%	77.7%
Pensions	13.5%	40.9%	55.3%	62.1%	52.4%	23.1%	53.2%	58.9%	63.4%	49.2%	5.4%	23.1%	46.1%	55.0%	57.6%
Annuities	2.3%	4.6%	10.1%	11.0%	11.4%	1.1%	6.9%	9.3%	11.9%	11.1%	1.4%	3.3%	8.1%	10.9%	14.1%
IRA Withdrawals	5.1%	19.8%	31.7%	41.6%	48.4%	11.1%	30.4%	38.5%	48.4%	46.8%	2.2%	6.9%	21.8%	29.1%	41.5%
Asset Income	18.9%	43.4%	58.2%	69.8%	82.2%	26.3%	54.8%	68.5%	71.6%	83.7%	10.0%	27.0%	48.4%	58.9%	77.3%
Earnings	9.5%	21.5%	37.2%	47.4%	67.2%	18.9%	37.5%	47.3%	57.0%	71.3%	5.6%	10.9%	17.8%	29.6%	40.8%
Wages and Salaries	6.9%	17.6%	31.7%	39.8%	56.8%	15.1%	31.3%	39.9%	45.7%	62.0%	4.2%	7.1%	15.2%	26.1%	35.2%
Self-employment Income	3.6%	6.0%	9.0%	13.4%	31.0%	6.5%	9.7%	13.3%	23.3%	32.6%	1.7%	4.3%	3.9%	5.9%	11.8%
Public Assistance	29.0%	5.4%	2.9%	1.6%	1.4%	15.6%	3.2%	2.0%	1.6%	0.9%	40.0%	18.3%	3.9%	3.0%	2.1%
SSI	13.9%	1.8%	1.1%	0.3%	0.5%	8.1%	1.2%	0.4%	0.0%	0.4%	22.9%	3.2%	1.1%	0.8%	1.4%
Other Public Assistance	22.1%	4.4%	1.8%	1.3%	0.9%	11.4%	2.0%	1.6%	1.5%	0.5%	29.4%	16.3%	3.2%	2.3%	0.7%
Other Income	3.8%	10.6%	18.5%	23.7%	28.2%	7.2%	17.4%	22.9%	26.7%	27.2%	2.9%	3.9%	10.1%	18.5%	22.9%
No. of Observations	2,274	2,007	1,725	1,540	1,293	1,361	1,076	940	884	756	898	840	759	705	620

Income Sources	All Individuals					Married/Partnered					Single Persons				
	Household Income Quintile					Household Income Quintile					Household Income Quintile				
	1 st	2 nd	3 rd	4 th	5 th	1 st	2 nd	3 rd	4 th	5 th	1 st	2 nd	3 rd	4 th	5 th
Weighted Population (in thousands)	10,353	10,300	10,344	10,339	10,341	6,351	6,332	6,341	6,344	6,338	4,025	3,983	3,994	4,014	3,985

Source: CRS analysis of data from the 2018 Health and Retirement Study (HRS).

Notes: Asset income includes business income, interest, dividends, and rents. SSI is Supplemental Security Income. Other government transfers include dollars worth of SNAP benefits and other welfare income. Other income includes workers' compensation, unemployment compensation, alimony, child support, and financial assistance from friends or relatives not living in the same household. Household income quintile limits are \$21,840, \$39,700, \$64,295, and \$110,897 for all individuals; \$36,895, \$58,548, \$84,592, and \$142,590 for married individuals; and \$13,680, \$21,034, \$32,545, and \$56,996 for single persons. All values displayed in the table have been adjusted for population weights provided by the HRS.

Table A-3. Percentage of Aggregate Income from Each Income Source Among Individuals Aged 65 and Older by Marital Status and Household Income Quintile, 2017

Income Sources	All Individuals					Married/Partnered					Single Persons				
	Household Income Quintile					Household Income Quintile					Household Income Quintile				
	1 st	2 nd	3 rd	4 th	5 th	1 st	2 nd	3 rd	4 th	5 th	1 st	2 nd	3 rd	4 th	5 th
All income	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Social Security	83.2%	66.4%	46.1%	30.2%	11.4%	84.1%	59.6%	40.2%	26.6%	10.1%	80.2%	85.1%	64.8%	40.3%	15.1%
Pensions and Retirement Savings	5.5%	18.2%	27.5%	33.2%	25.7%	6.9%	21.2%	26.6%	34.6%	25.3%	2.6%	6.7%	21.0%	30.8%	28.4%
Pensions	4.2%	13.6%	20.1%	22.8%	16.0%	5.2%	15.4%	19.0%	23.1%	16.3%	1.8%	5.2%	15.7%	22.3%	17.5%
Annuities	0.4%	1.3%	2.3%	1.8%	3.0%	0.3%	1.4%	1.2%	1.8%	2.8%	0.2%	0.6%	1.6%	3.0%	3.7%
IRA Withdrawals	0.8%	3.3%	5.1%	8.6%	6.7%	1.4%	4.3%	6.4%	9.6%	6.2%	0.5%	0.9%	3.8%	5.6%	7.2%
Asset Income	1.6%	4.2%	6.3%	10.3%	19.6%	1.4%	3.7%	6.9%	8.5%	17.9%	0.8%	2.1%	4.1%	7.5%	25.3%

Income Sources	All Individuals					Married/Partnered					Single Persons				
	Household Income Quintile					Household Income Quintile					Household Income Quintile				
	1 st	2 nd	3 rd	4 th	5 th	1 st	2 nd	3 rd	4 th	5 th	1 st	2 nd	3 rd	4 th	5 th
Earnings	2.9%	7.0%	13.6%	19.6%	32.6%	4.2%	9.9%	18.7%	23.4%	36.8%	2.2%	3.2%	5.8%	14.0%	19.6%
Wages and Salaries	2.1%	6.2%	11.0%	16.7%	20.5%	3.2%	7.8%	16.0%	17.1%	22.4%	1.8%	2.1%	5.3%	11.7%	15.7%
Self-employment Income	0.8%	0.8%	2.6%	2.9%	12.0%	1.0%	2.1%	2.7%	6.3%	14.4%	0.4%	1.0%	0.5%	2.3%	3.8%
Public Assistance	5.9%	0.5%	0.3%	0.1%	0.2%	2.0%	0.4%	0.1%	0.0%	0.0%	13.3%	1.8%	0.6%	0.3%	0.7%
SSI	4.2%	0.3%	0.2%	0.1%	0.2%	1.4%	0.3%	0.1%	0.0%	0.0%	10.2%	0.8%	0.4%	0.2%	0.7%
Other Public Assistance	1.7%	0.2%	0.1%	0.0%	0.0%	0.6%	0.1%	0.0%	0.0%	0.0%	3.1%	1.0%	0.2%	0.1%	0.0%
Other Income	0.9%	3.7%	6.2%	6.5%	10.5%	1.3%	5.3%	7.3%	7.0%	9.8%	0.9%	1.0%	3.8%	7.1%	10.9%
No. of Observations	2,274	2,007	1,725	1,540	1,293	1,361	1,076	940	884	756	898	840	759	705	620
Weighted Population (in thousands)	10,353	10,300	10,344	10,339	10,341	6,351	6,332	6,341	6,344	6,338	4,025	3,983	3,994	4,014	3,985

Source: CRS analysis of data from the 2018 Health and Retirement Study (HRS).

Notes: Asset income includes business income, interest, dividends, and rents. SSI is Supplemental Security Income. Other government transfers include dollars worth of SNAP benefits and other welfare income. Other income includes workers' compensation, unemployment compensation, alimony, child support, and financial assistance from friends or relatives not living in the same household. Household income quintile limits are \$21,840, \$39,700, \$64,295, and \$110,897 for all individuals; \$36,895, \$58,548, \$84,592, and \$142,590 for married individuals; and \$13,680, \$21,034, \$32,545, and \$56,996 for single persons. All values displayed in the table have been adjusted for population weights provided by the HRS. Sum of components may not equal 100% due to rounding.

Table A-4. Percentage of Individuals Aged 65 and Older That Received Household Income by Source of Income, Marital Status, and Race/Ethnicity, 2017

Income Sources	All Individuals				Married/Partnered				Single Persons			
	White Non-Hispanic	Black Non-Hispanic	Other Non-Hispanic	Hispanic	White Non-Hispanic	Black Non-Hispanic	Other Non-Hispanic	Hispanic	White Non-Hispanic	Black Non-Hispanic	Other Non-Hispanic	Hispanic
Any Income	99.9%	99.0%	99.2%	97.2%	100.0%	99.9%	98.7%	98.6%	99.8%	98.5%	99.7%	95.3%
Social Security	93.2%	91.3%	91.0%	89.1%	93.5%	96.0%	87.0%	90.6%	92.8%	88.4%	95.3%	86.8%
Pensions and Retirement Savings	66.1%	37.6%	46.6%	28.7%	70.4%	46.8%	51.8%	33.4%	58.3%	31.6%	41.5%	21.9%
Pensions	48.8%	33.1%	31.9%	25.2%	52.7%	40.1%	31.3%	29.7%	41.6%	28.5%	33.0%	18.5%
Annuities	9.0%	2.8%	4.2%	3.6%	8.7%	4.2%	4.9%	5.2%	9.5%	1.8%	3.6%	1.4%
IRA Withdrawals	34.6%	6.5%	18.9%	8.1%	39.4%	11.2%	28.3%	9.8%	25.9%	3.5%	8.7%	5.6%
Asset Income	62.3%	23.9%	45.6%	17.2%	67.0%	31.6%	53.9%	22.7%	53.8%	19.0%	36.8%	9.0%
Earnings	38.2%	30.5%	36.0%	27.6%	48.0%	39.9%	44.8%	35.3%	20.4%	24.1%	26.5%	16.2%
Wages and Salaries	31.8%	26.9%	30.1%	23.0%	39.9%	35.8%	38.0%	29.6%	17.1%	21.0%	21.5%	13.2%
Self-employment Income	13.4%	8.6%	14.4%	8.6%	17.9%	10.9%	20.0%	12.0%	5.3%	7.1%	8.2%	3.6%
Public Assistance	5.1%	17.5%	12.8%	23.9%	3.0%	8.2%	9.4%	17.3%	8.9%	23.5%	16.8%	33.5%
SSI	1.5%	9.3%	8.2%	14.5%	0.9%	4.2%	8.7%	10.1%	2.6%	12.6%	7.6%	20.9%
Other Public Assistance	4.3%	12.4%	7.3%	15.4%	2.4%	5.5%	3.4%	11.5%	7.8%	16.9%	11.7%	21.2%
Other Income	18.2%	14.5%	16.5%	8.3%	21.4%	20.3%	17.8%	10.0%	12.4%	10.7%	15.2%	5.7%
No. of Observations	6,050	1,575	243	1,142	3,591	651	129	683	2,453	921	113	459

Income Sources	All Individuals				Married/Partnered				Single Persons			
	White Non-Hispanic	Black Non-Hispanic	Other Non-Hispanic	Hispanic	White Non-Hispanic	Black Non-Hispanic	Other Non-Hispanic	Hispanic	White Non-Hispanic	Black Non-Hispanic	Other Non-Hispanic	Hispanic
Weighted Population (in thousands)	41,108	4,785	1,457	4,356	26,471	1,875	766	2,593	14,563	2,902	682	1,763

Source: CRS analysis of data from the 2018 Health and Retirement Study (HRS).

Notes: Asset income includes business income, interest, dividends, and rents. SSI is Supplemental Security Income. Other government transfers include dollars worth of SNAP benefits and other welfare income. Other income includes workers' compensation, unemployment compensation, alimony, child support, and financial assistance from friends or relatives not living in the same household. All values displayed in the table have been adjusted for population weights provided by the HRS.

Table A-5. Percentage of Aggregate Income from Each Income Source Among Individuals Aged 65 and Older by Marital Status and Race/Ethnicity, 2017

Income Sources	All Individuals				Married/Partnered				Single Persons			
	White Non-Hispanic	Black Non-Hispanic	Other Non-Hispanic	Hispanic	White Non-Hispanic	Black Non-Hispanic	Other Non-Hispanic	Hispanic	White Non-Hispanic	Black Non-Hispanic	Other Non-Hispanic	Hispanic
Any Income	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Social Security	26.6%	39.0%	30.1%	43.6%	23.8%	37.0%	25.9%	37.6%	33.1%	40.7%	36.3%	55.1%
Pensions and Retirement Savings	26.3%	22.6%	26.6%	18.4%	26.3%	24.4%	28.7%	20.7%	26.2%	21.1%	23.5%	14.0%
Pensions	17.2%	19.5%	15.6%	12.8%	17.4%	20.5%	14.1%	14.0%	16.5%	18.7%	18.0%	10.4%
Annuities	2.5%	1.5%	1.0%	3.3%	2.1%	1.1%	1.1%	4.6%	3.2%	1.8%	0.8%	0.7%
IRA Withdrawals	6.6%	1.6%	10.0%	2.3%	6.7%	2.9%	13.5%	2.0%	6.5%	0.7%	4.7%	2.9%
Asset Income	14.7%	4.8%	14.5%	5.1%	13.1%	6.6%	19.0%	5.6%	18.6%	3.5%	7.5%	4.2%
Earnings	24.0%	24.2%	20.1%	22.2%	28.7%	22.3%	17.8%	25.2%	12.9%	25.6%	23.8%	16.4%
Wages and Salaries	16.0%	20.8%	15.8%	17.5%	18.4%	19.8%	15.3%	19.0%	10.4%	21.6%	16.7%	14.7%

Income Sources	All Individuals				Married/Partnered				Single Persons			
	White Non-Hispanic	Black Non-Hispanic	Other Non-Hispanic	Hispanic	White Non-Hispanic	Black Non-Hispanic	Other Non-Hispanic	Hispanic	White Non-Hispanic	Black Non-Hispanic	Other Non-Hispanic	Hispanic
Self-employment Income	7.9%	3.4%	4.3%	4.7%	10.3%	2.4%	2.5%	6.3%	2.5%	4.1%	7.1%	1.7%
Public Assistance	0.3%	1.8%	0.6%	2.9%	0.1%	0.3%	0.4%	1.4%	0.8%	2.9%	1.0%	5.6%
SSI	0.3%	1.4%	0.5%	2.2%	0.1%	0.2%	0.4%	1.1%	0.7%	2.2%	0.6%	4.4%
Other Public Assistance	0.1%	0.4%	0.2%	0.6%	0.0%	0.1%	0.1%	0.3%	0.2%	0.7%	0.3%	1.3%
Other Income	8.2%	7.6%	8.1%	7.9%	8.0%	9.4%	8.1%	9.5%	8.4%	6.2%	8.0%	4.6%
No. of Observations	6,050	1,575	243	1,142	3,591	651	129	683	2,453	921	113	459
Weighted Population (in thousands)	41,108	4,785	1,457	4,356	26,471	1,875	766	2,593	14,563	2,902	682	1,763

Source: CRS analysis of data from the 2018 Health and Retirement Study (HRS).

Notes: Asset income includes business income, interest, dividends, and rents. SSI is Supplemental Security Income. Other government transfers include dollars worth of SNAP benefits and other welfare income. Other income includes workers' compensation, unemployment compensation, alimony, child support, and financial assistance from friends or relatives not living in the same household. All values displayed in the table have been adjusted for population weights provided by the HRS. Sum of components may not equal 100% due to rounding.

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