

Social Security: Vital for Vulnerable Populations

AARP Public Policy Institute
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Purpose

Discuss the importance and adequacy of Social Security benefits for those who receive them – especially vulnerable populations.

Social Security Insures Against Death & Disability

2013 Fact Sheet

91%

Percent of workers, age 21-64, with Social Security Disability Coverage.

25%

Likelihood of today's 20-year-olds becoming disabled before age 67.

69%

Percent of private sector workforce with no long-term disability insurance.

96%

Percent of workers, age 20-49, with Social Security survivor protection.

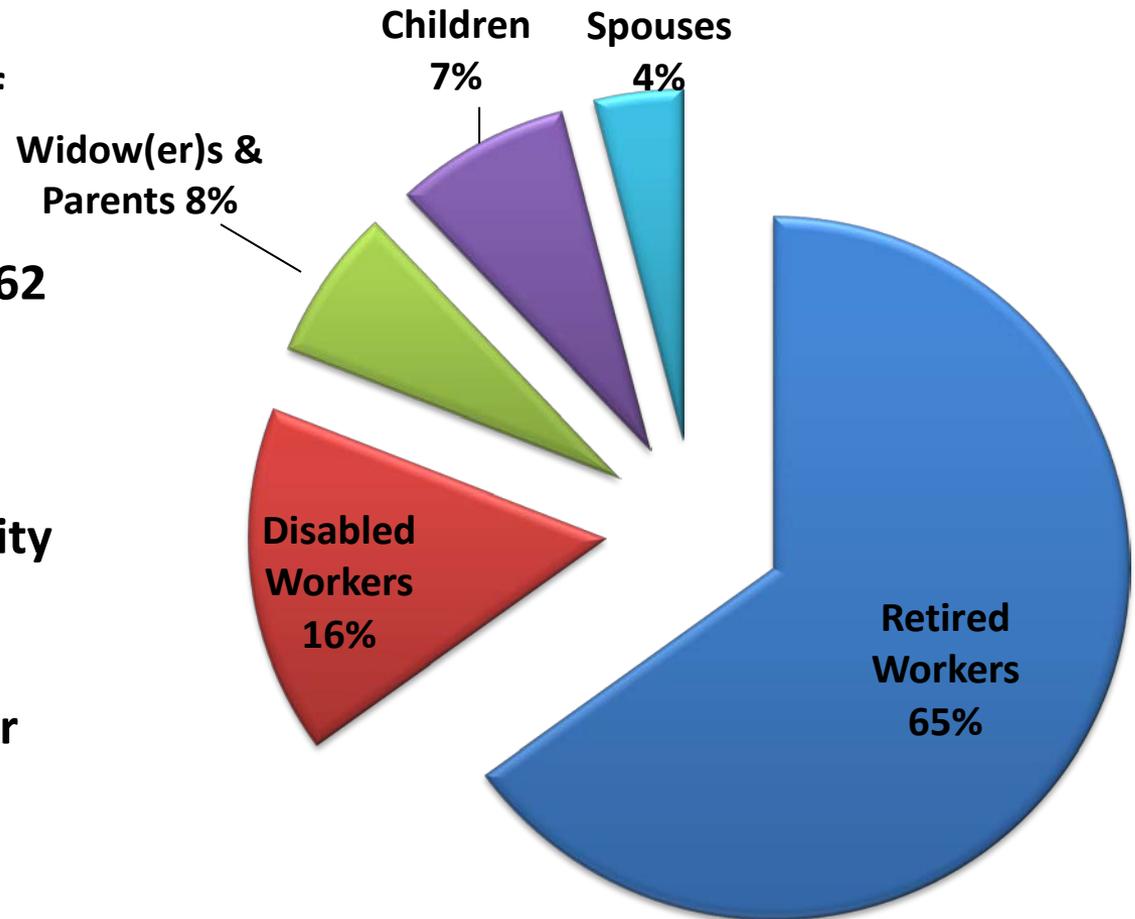
12.5%

Likelihood of today's 20-year-olds dying before age 67.

Who Receives Social Security?

Social Security benefits people of all ages

- In 2013, nearly 58 million people receive some sort of Social Security.
- Over 10 million under age 62 receive some sort of Social Security benefit.
- \$816 billion in Social Security benefits will be paid.
- 90% of persons 65 and over receive Social Security benefits.



SOURCE: Social Security Administration, *Beneficiary Data*. Accessed from www.ssa.gov/OACT/ProgData/icp.html and <http://ssa.gov/pressoffice/basicfact.htm>

Annual Average Benefit Levels

Social Security benefits are modest!

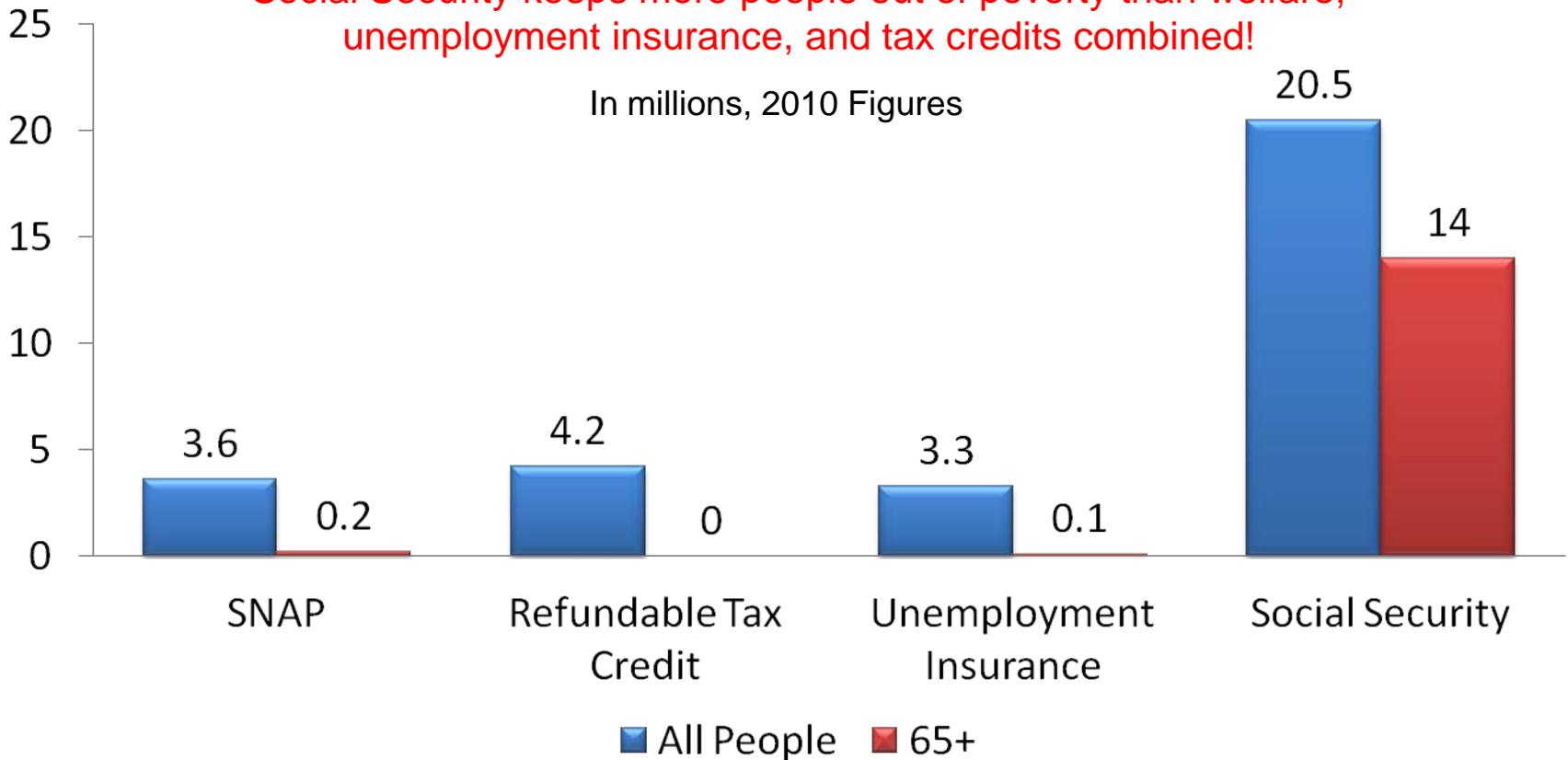


Based on June 2013 monthly benefit levels

SOURCE: Social Security Administration, *Beneficiary Data: Benefits Paid by Type of Beneficiary*. Accessed from <http://www.socialsecurity.gov/OACT/ProgData/icp.html>

Social Security: The Ultimate Anti-Poverty Tool

Social Security keeps more people out of poverty than welfare, unemployment insurance, and tax credits combined!



SNAP (Supplemental Nutrition Assistance Program - formerly food stamps) is measured as cash income.

"Refundable Tax Credit" measures the anti-poverty effects of post-tax income that includes tax credits such as the Earned Income Tax Credit (EITC).

SOURCE: U.S. Bureau of the Census, *Income, Poverty, and Health Insurance Coverage: 2009*. Accessed from http://www.census.gov/newsroom/releases/pdf/09-16-10_slides.pdf

Who Are The 'Vulnerable'?

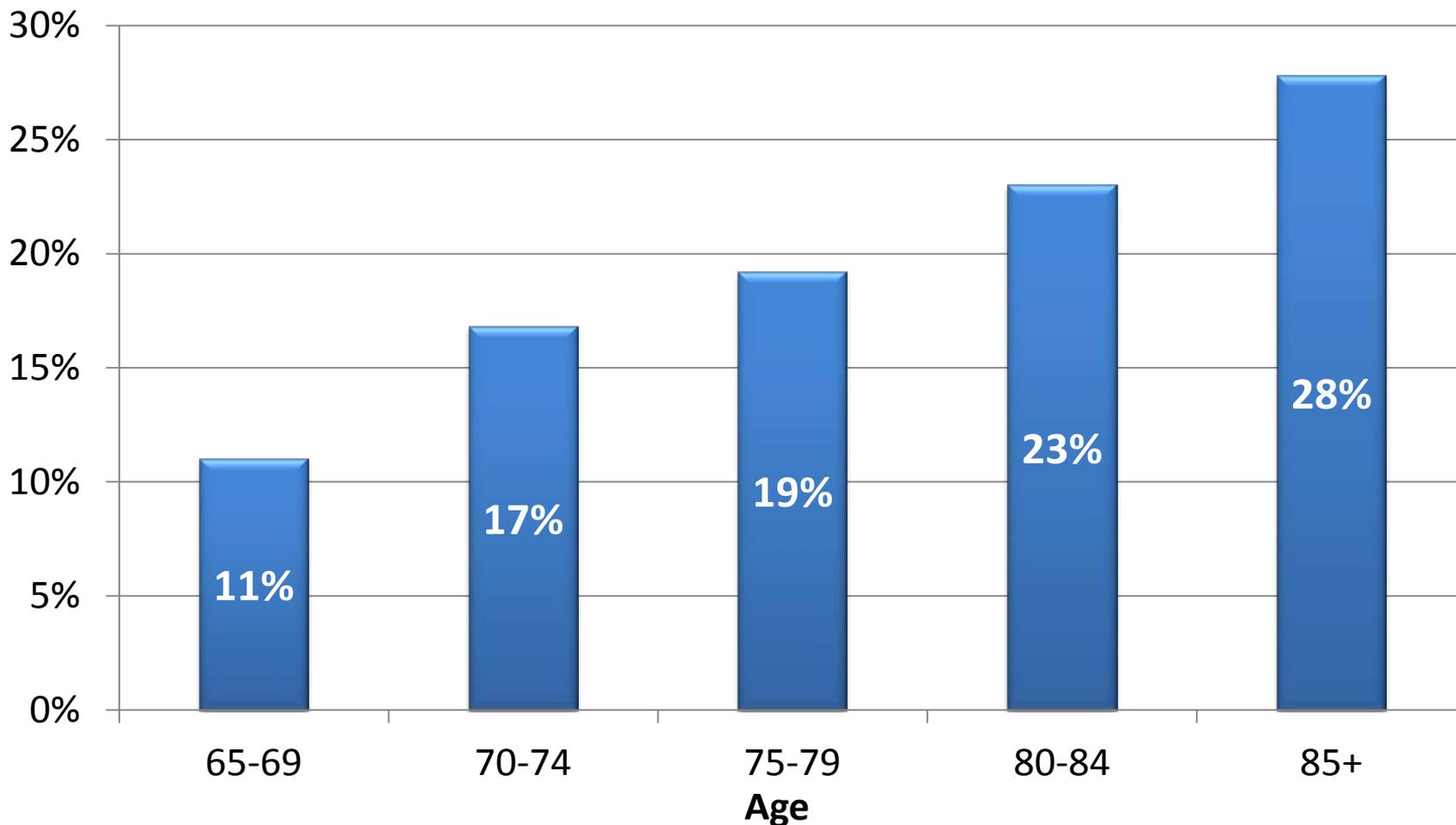
- There are several groups of individuals that are more likely to live in poverty and need additional resources in retirement:
 - Older Individuals
 - Women
 - Minorities
- I will discuss the importance of Social Security for each of these groups.

Older Americans

- Older Americans (of any gender and race) are vulnerable because they:
 - Have lower incomes
 - Greater medical costs
 - Are more likely to live alone

Medical Costs Increases with Age

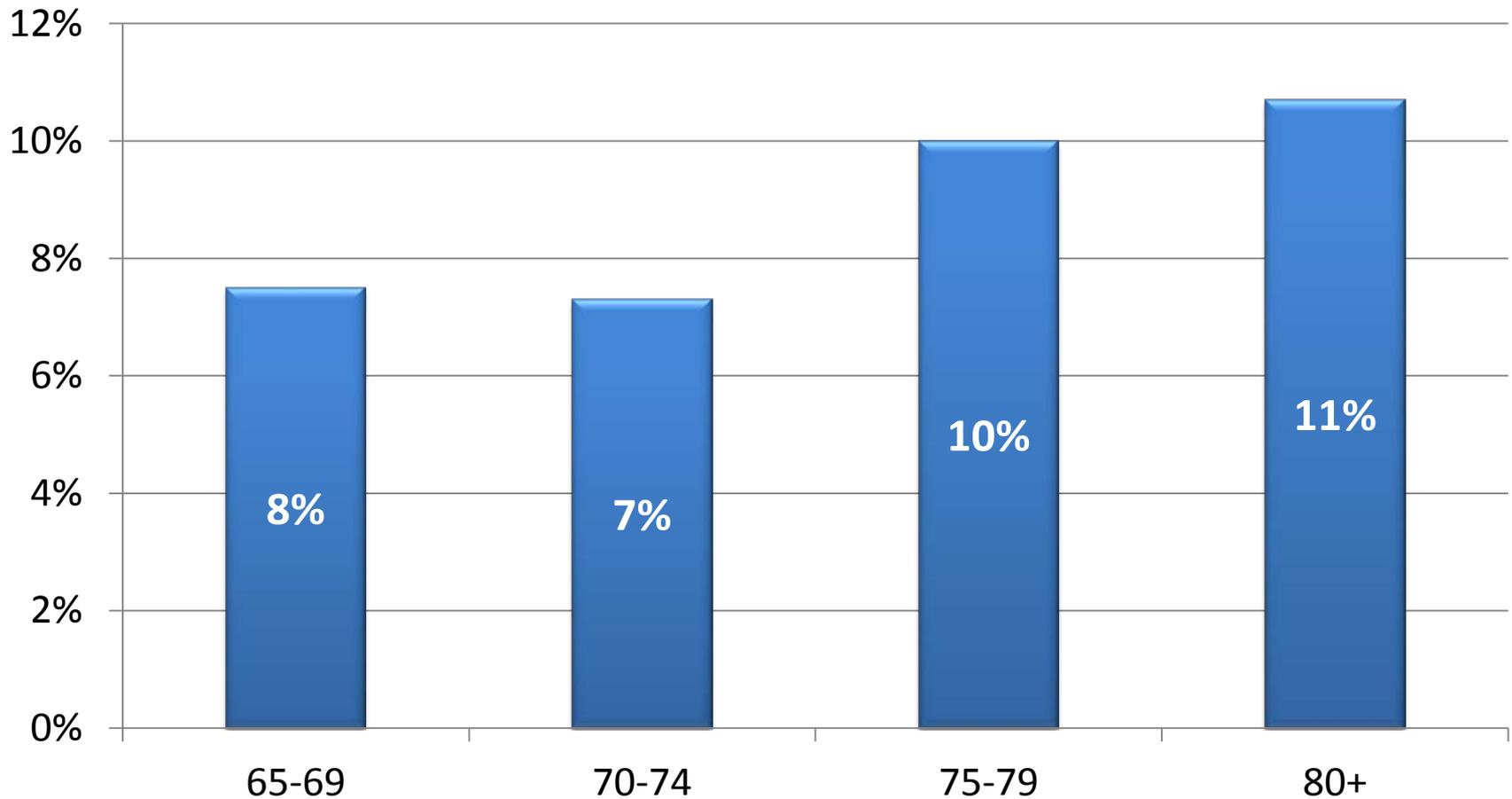
OOP* spending as % of income (median)



*OOP health spending is measured as all personal expenditures for medical services, Medicare premiums (including Medicare Part D premiums), and premiums for supplemental insurance

Source: Claire Noel-Miller, "Medicare Beneficiaries' Out-of-Pocket Spending for Health Care" <http://bit.ly/17lfGi6>

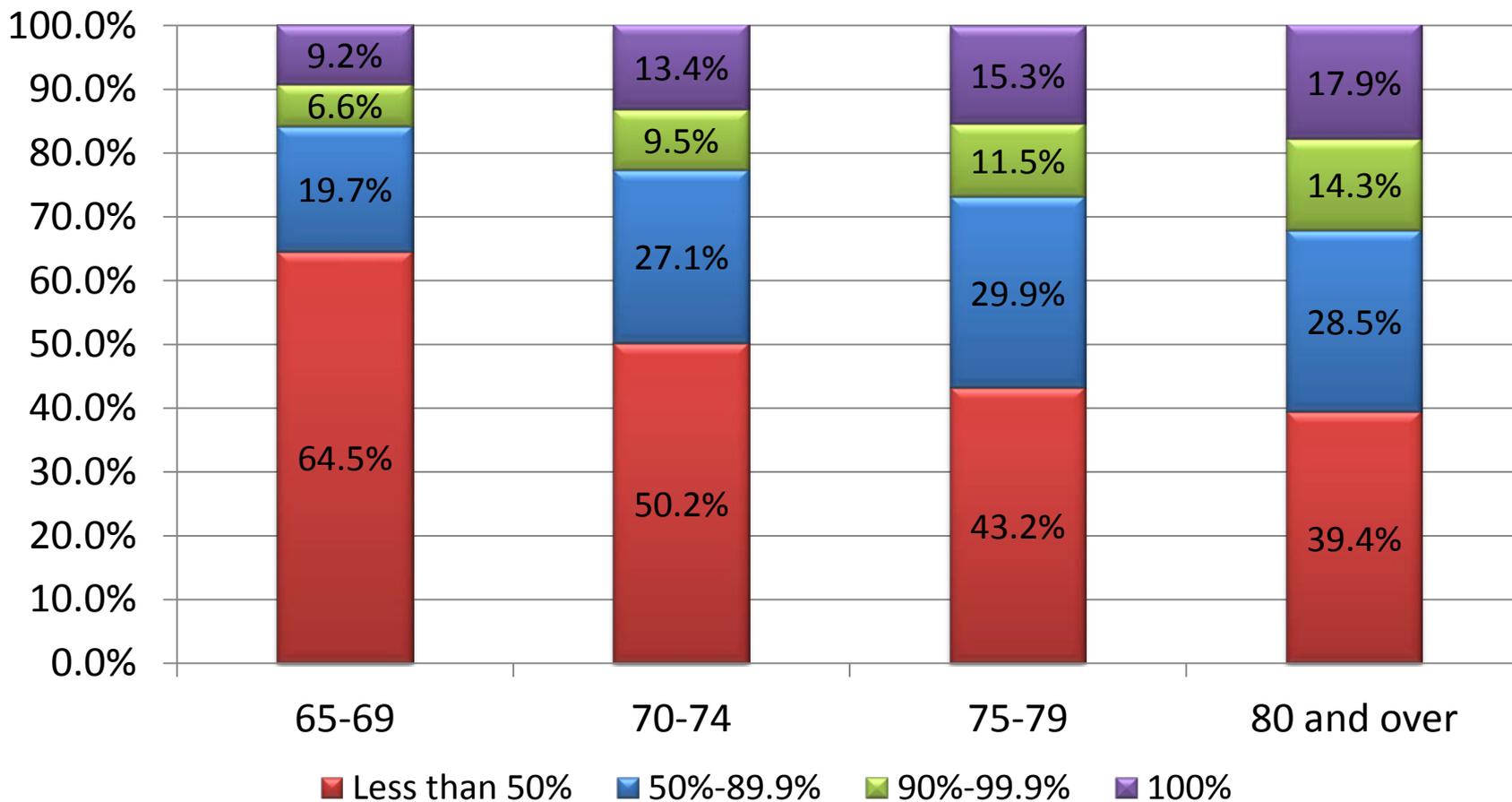
Poverty Increases with Age



Source: AARP Public Policy Institute tabulations of U.S. Bureau of the Census, March 2012 Current Population Survey

Older Americans – Social Security Reliance

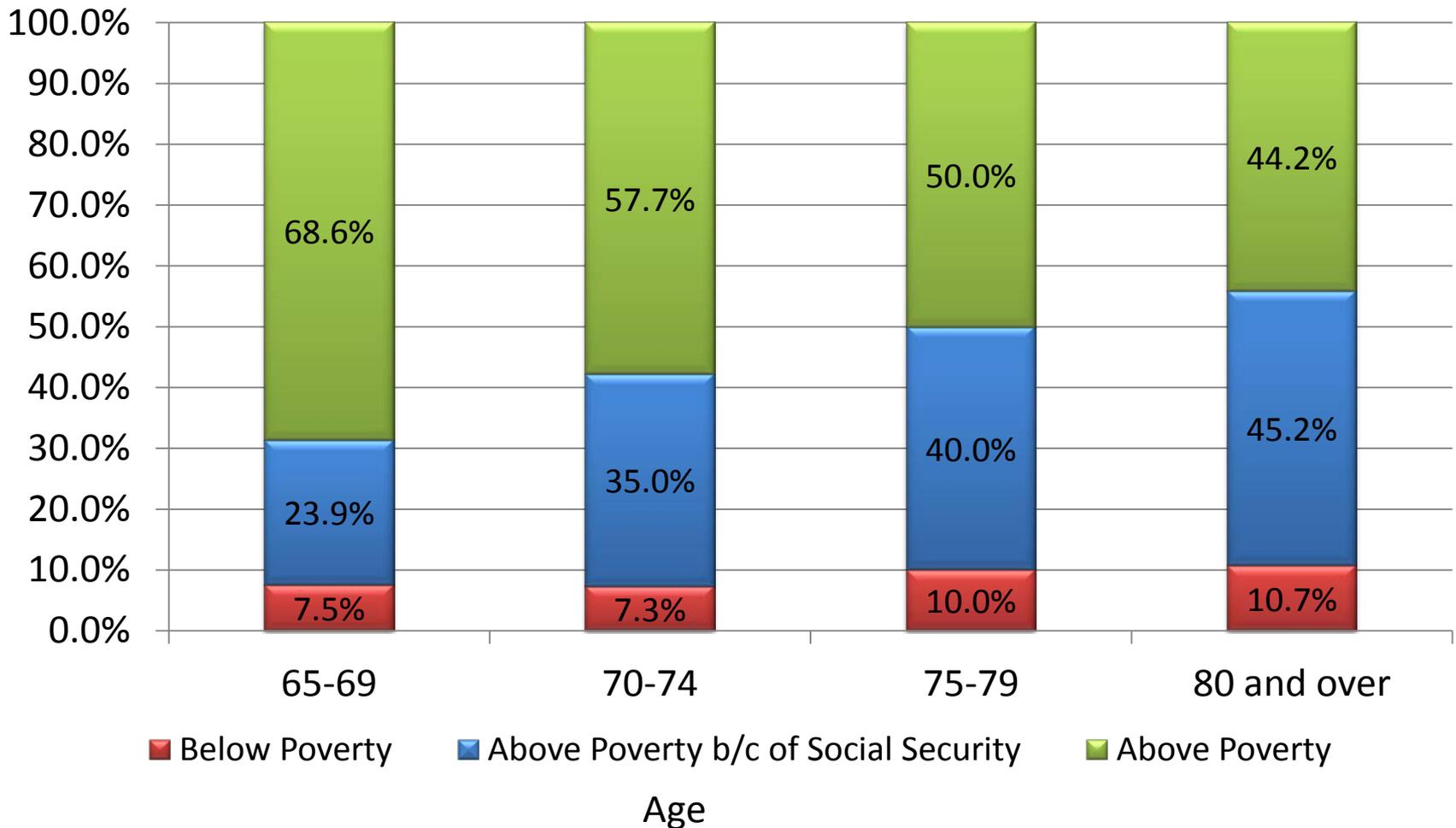
Reliance on Social Security increases with age, 2011



Source: AARP Public Policy Institute tabulations of U.S. Bureau of the Census, March 2012 Current Population Survey

Older Americans - Poverty

Social Security keeps older Americans out of poverty, 2011

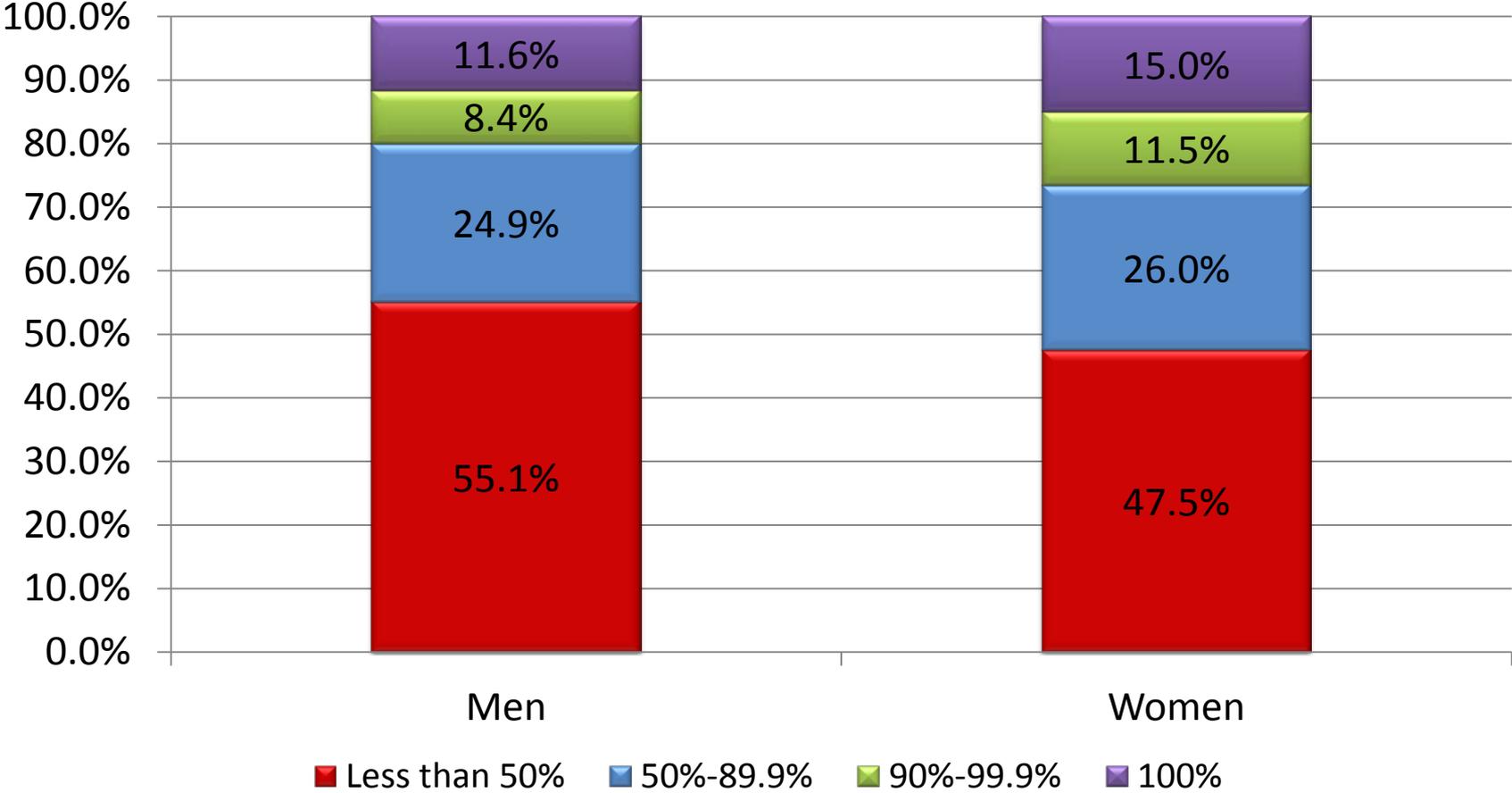


Women

- Women are vulnerable because they:
 - Have lower earnings
 - Smaller pensions – if any
 - Lower Social Security benefits
 - More likely to care for family members (more time out of workforce)
 - Live longer than men (on average by 2 years)
 - More likely to live alone in old age

Women – Social Security Reliance

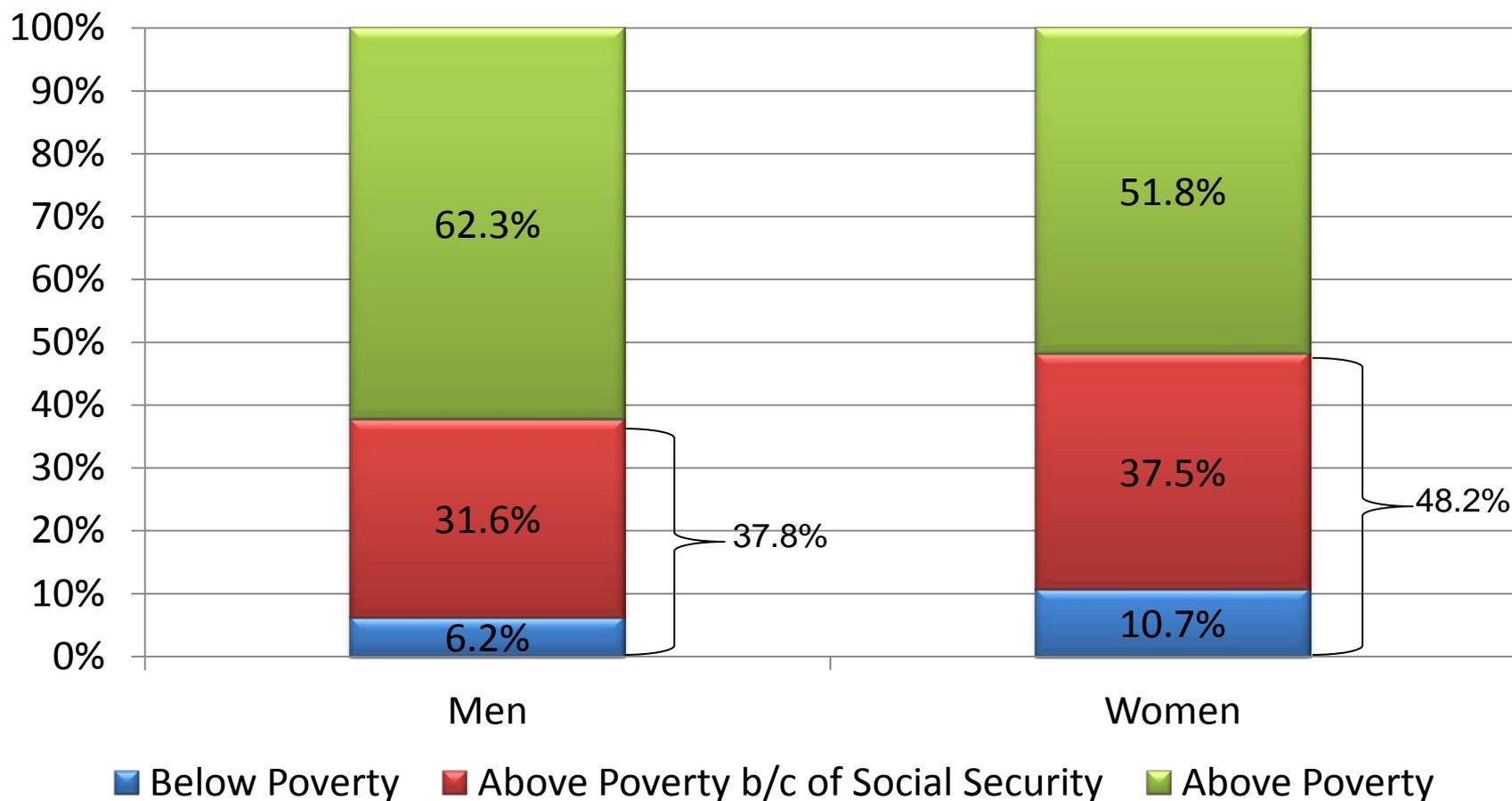
Older women rely on Social Security more than men, 2011



Source: AARP Public Policy Institute tabulations of U.S. Bureau of the Census, March 2012 Current Population Survey

Women - Poverty

Social Security keeps more older women out of poverty, 2011

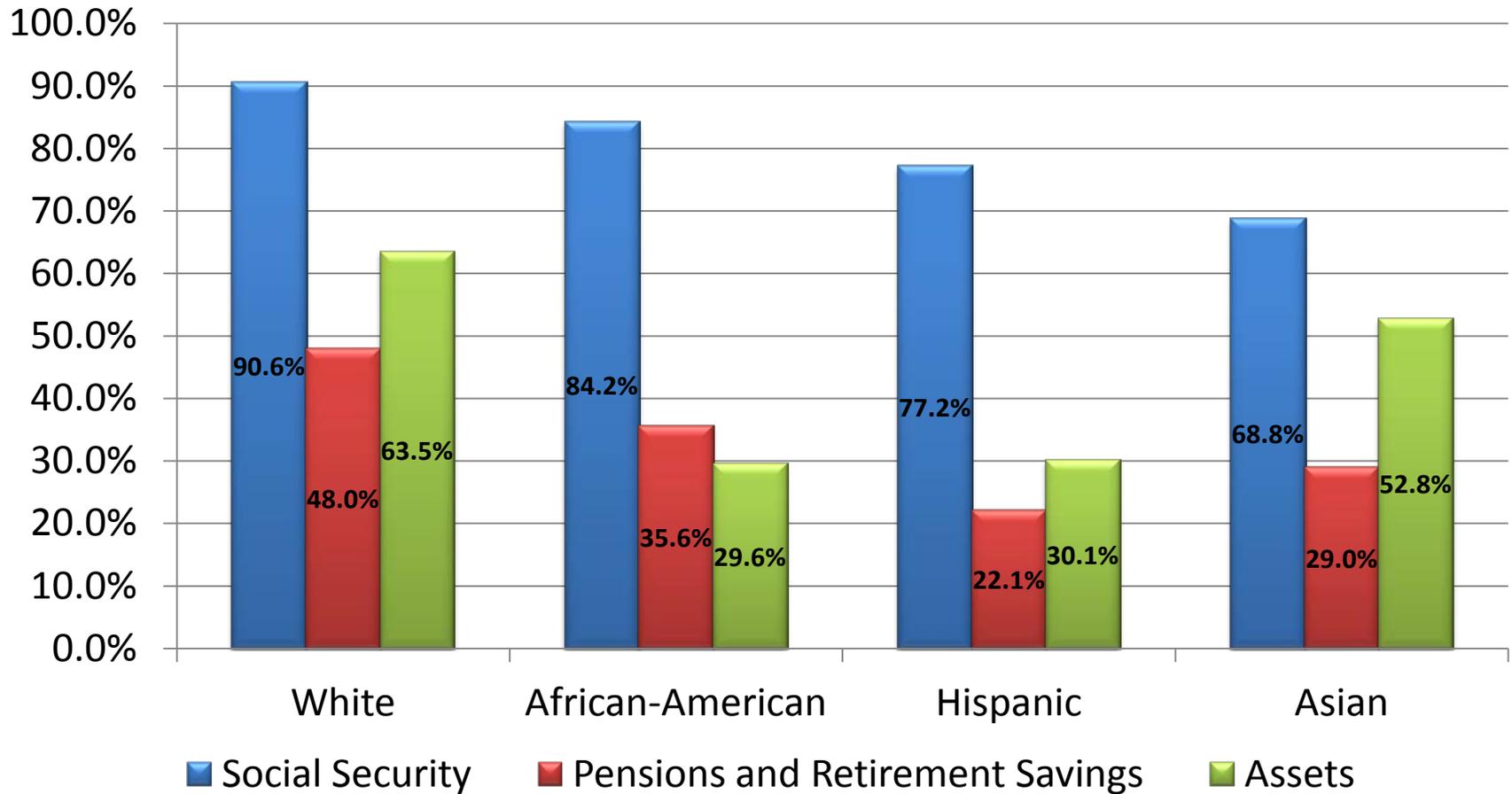


Minorities

- Minorities (African-Americans and some Hispanics) are vulnerable because they:
 - Have lower earnings
 - Smaller pensions – if any
 - Lower Social Security benefits
 - Have fewer forms of retirement income
 - Large wealth disparities

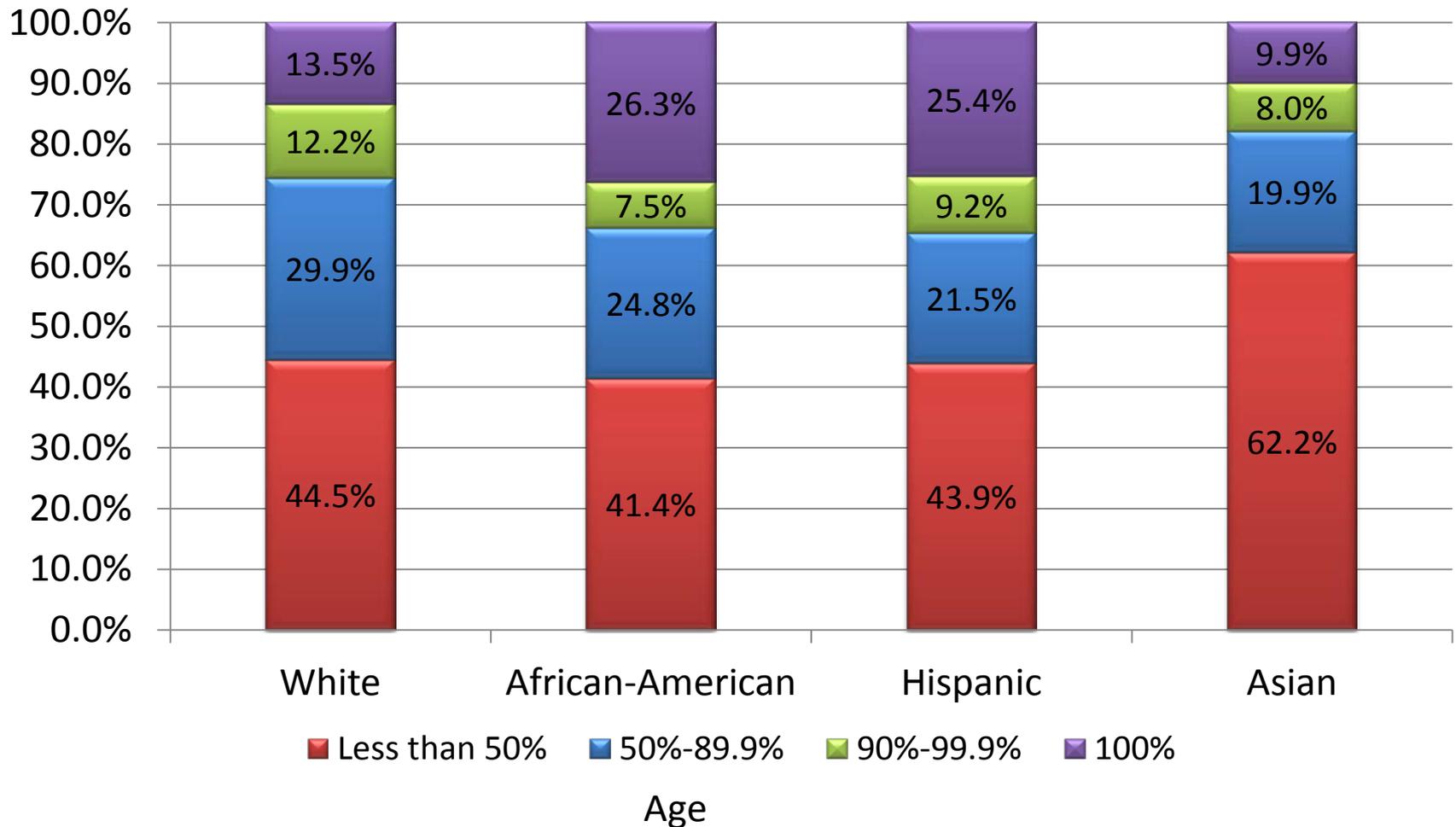
Minorities - Retirement Income

Older minorities have fewer sources of retirement income



Minorities – Social Security Reliance

Older minorities rely on Social Security for a significant share of family income, 2011



Minorities - Poverty

Social Security keeps older minorities out of poverty, 2011

