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**ABOUT** 

# SOCIAL SECURITY

SOCIAL SECURITY ADMINISTRATION
Office of Policy
Office of Research, Evaluation, and Statistics
August 2000



## DID YOU KNOW THAT...

- ✓ We served more than 48 million people in 1999 (page 30)
- ✓ Social Security benefits were awarded to 3.9 million persons (page 12)
- ✓ Social Security accounted for 38% of total income for aged persons (page 6)
- Social Security kept 39% of aged persons out of poverty (page 8)
- ✓ Social Security and Supplemental Security Income kept 1.1 million children out of poverty (page 35)
- ✓ Women accounted for 58% of adult Social Security beneficiaries (page 19)
- ✓ The average age of Disability Insurance beneficiaries has fallen from just over 57 in 1960 to 50.6 (page 18)
- ✓ Disability was the reason for paying 79% of SSI recipients (page 26)

# FAST FACTS & FIGURES ABOUT SOCIAL SECURITY

We live in an era known as the Information Age, but finding exact numbers or answers to specific questions can be a daunting task. One can sift through vast amounts of information online or in printed publications and still have difficulty finding the relevant fact or statistic. As Commissioner of Social Security, I want you to have the answers to your most frequently asked questions about our programs at your fingertips.

Fast Facts & Figures About Social Security is a one-stop source of information about the programs SSA administers—the people they serve, the benefits they provide, and a sense of what the income means to beneficiaries and recipients. It presents brief narratives and easy-to-understand charts about the most important aspects of the retirement, survivors, and disability insurance programs—from general information, such as the age for full retirement benefits, to statistical profiles of the beneficiary population. A special section on the income of the aged highlights the importance of Social Security benefits as a major source of income. This booklet also provides information about the aged, blind, and disabled persons who receive payments under Supplemental Security Income—another program administered by our agency.

I believe that this booklet will prove useful to people interested in understanding the value and scope of SSA's programs. For more detailed information, please visit our Web site <www.ssa.gov>.

Kenneth S. Apfel Commissioner of Social Security



## **FOREWORD**

The Social Security program, from its beginning to the present, has been the subject of serious discussion and sometimes vigorous debate. Today, as we embark on a national dialogue about the future direction of Social Security, we need to base the discussion on information that is factual, informative, and easy to comprehend.

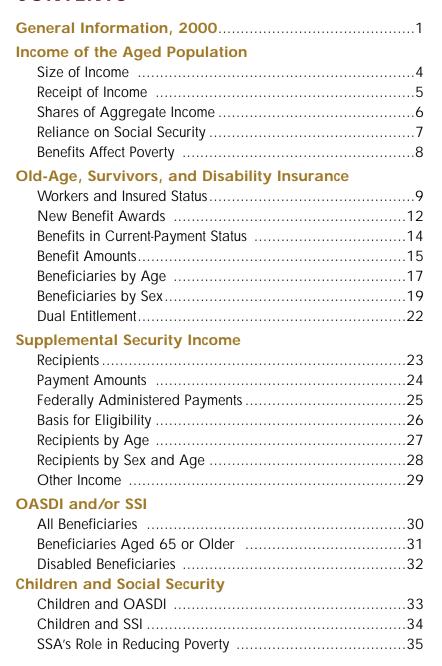
Fast Facts & Figures answers the most frequently asked questions about the programs SSA administers. It highlights basic program data for the Social Security (retirement, survivors, and disability) and Supplemental Security Income programs. Most of the data come from the Annual Statistical Supplement to the Social Security Bulletin, which contains more than 250 detailed tables. The information on the income of the aged is from the biennial data compilation Income of the Population 55 or Older.

The faces that emerge from these facts and figures illustrate the importance of Social Security for our oldest to our youngest citizens. In recent years, for example, it has kept 39% of our aged and 1.1 million children out of poverty. In all, more than 48 million people have received some type of benefit or assistance.

The more detailed information contained in the *Supplement* and *Income of the Population 55* or *Older* is available on our Web site <www.ssa.gov/policy>. For questions pertaining to the data in this document, please e-mail alexander.i.estrin@ssa.gov or telephone him at 202-358-6219.

Paul N. Van de Water Associate Commissioner for Research, Evaluation, and Statistics

## **CONTENTS**







# **ABBREVIATIONS**

AIME Average Indexed Monthly Earnings

DI Disability Insurance
HI Hospital Insurance

OASDI Old-Age, Survivors, and Disability Insurance

OASI Old-Age and Survivors Insurance

ORES Office of Research, Evaluation, and Statistics

PIA Primary Insurance Amount
SSA Social Security Administration
SSI Supplemental Security Income

# GENERAL INFORMATION, 2000

#### Tax rates\*

Program	employee, each	Self-employed
Total	7.65%	15.30%
OASI	5.30	10.60
DI	.90	1.80
HI	1.45	2.90

<sup>\*</sup>Social Security tax for employers and self-employed can be partially offset under income tax rules.

## Average wage index\*

1998	\$28,861
1999 (estimated)	30,299
2000 (estimated)	31,685

<sup>\*</sup>Office of the Chief Actuary, SSA.

#### Maximum earnings subject to Social Security taxes

OASDI	\$76,200
HI	No limit

#### Taxes payable

Earner	OASI	DI	HI
Average earner	\$1,679	\$285	\$459
Maximum earner	4,039	686	No limit
Self-employed maximum earner	8,077	1,372	No limit

## Quarters of coverage (work credits)

\$780 in earnings equals 1 quarter of coverage (or 1 credit)

\$3,120 is the maximum earnings needed for 4 quarters of coverage (or 4 credits) per year

## **Retirement earnings test**

Age	Annually	Monthly
Under age 65 (\$1 for \$2 withholding rate)	\$10,080	\$840
Calendar year attaining age 65 (\$1 for \$3 withholding rate)	17,000	1,417
After calendar year attaining age 65 or older	No limit	No limit





# GENERAL INFORMATION, 2000

## Age for full retirement benefit

	Applicable to workers who
Full benefit at age—	attain age 62 in year—
65 and 2 months	2000
65 and 4 months	2001
65 and 6 months	2002
65 and 8 months	2003
65 and 10 months	2004
66	2005–2016
66 and 2 months	2017
66 and 4 months	2018
66 and 6 months	2019
66 and 8 months	2020
66 and 10 months	2021
67	2022 and later

# Benefit formula bend points (for workers who in 2000 attain age 62, become disabled, or die before age 62)

#### Primary insurance amount equals:

90% of the first \$531 of AIME, plus

32% of AIME over \$531 through \$3,202, plus

15% of AIME over \$3,202

## Maximum family benefit equals:

150% of the first \$679 of PIA, plus

272% of PIA over \$679 through \$980, plus

134% of PIA over \$980 through \$1,278, plus

175% of PIA over \$1,278

# Substantial gainful activity (used for determining eligibility for and continuation of disability benefits)

Earnings of \$700 per month for nonblind disabled persons Earnings of \$1,170 per month for blind persons

#### OASDI administrative expenses\*

Costs as a percentage of contributions in fiscal year 1999: 0.7% \*2000 Trustees' Report.

# **GENERAL INFORMATION, 2000**

## Trust fund operations\*

		[In billions]	
Calendar year 1999 (actual)	Income	Outgo	Fund at end of year
OASI	\$457.0	\$339.9	\$798.8
DI	69.5	53.0	97.3
2000 (estimated)			
OASI	487.0	353.8	932.0
DI	78.7	56.5	119.5
*2000 Trustees' Report.			

#### Benefit payments as a percentage of gross domestic product

Calendar year	Total	OASI	DI
1998	4.28	3.73	0.55
1999	4.17	3.62	0.56

#### Filed in fiscal year 1999

OASI claims\* 3.1 million
DI claims 1.5 million
SSI applications 1.6 million

## SSI federal payment standard, 2000

\$512 individual \$769 couple

## Poverty thresholds\*

			1999
Family unit	1997	1998	(preliminary)
Aged individual	\$7,698	\$7,818	\$7,990
Family of two, aged head	9,712	9,862	10,070
Family of four	16,400	16,660	17,184

<sup>\*</sup>U.S. Census Bureau.



<sup>\*</sup>OASI claims exclude those filed by disabled widow(er)s and disabled adult children of retired or deceased workers, which are included in the DI claims.

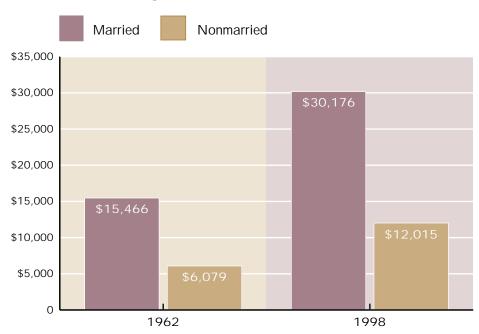


## Size of Income

Median income of aged units, 1962 and 1998

Median annual income for both married couples and nonmarried persons increased markedly from 1962 (the earliest year for which data are available) to 1998. Even after adjusting for inflation, median income rose 95% for married couples and 98% for nonmarried persons.

#### Median income of aged units (1998 dollars)

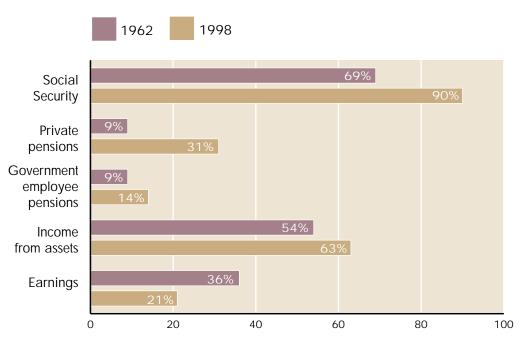


## Receipt of Income

Sources of income, 1962 and 1998

Social Security benefits, which were the most common source of income in 1962, are now almost universal. The proportion of aged units with asset income, the next most common source, has grown from about one-half to nearly two-thirds. Over the 36-year period, receipt of private pensions has more than tripled and receipt of government pensions has increased by over 50%. A smaller proportion of couples and nonmarried persons aged 65 or older received earnings in 1998 than in 1962.

# Percentage of aged units receiving income from various sources



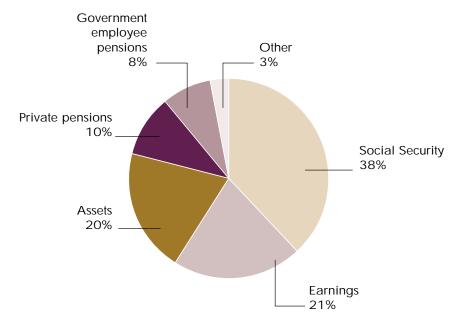


## Shares of Aggregate Income

Proportion of income from various sources, 1962 and 1998

In 1962, Social Security, private and government employee pensions, income from assets, and earnings made up only 84% of the total income of the aged, compared with 97% in 1998. Although private pensions still accounted for only a small proportion of total income in 1998, they more than tripled their share in the period—from 3% to 10%. The share from earnings declined from 28% to 21%.

#### Percentage of aggregate income of the aged from various sources, 1998

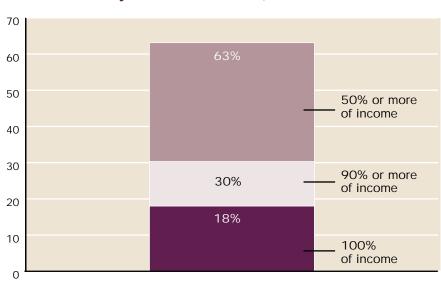


## Reliance on Social Security

Importance of benefits, 1998

The OASDI program paid benefits to 90% of those aged 65 or older in 1998. It was the major source of income (providing at least 50% of total income) for 63% of the beneficiary units (couples or nonmarried persons), and it was the only source of income for 18%.

# Percentage of beneficiary units with Social Security benefits as a major source of income, 1998



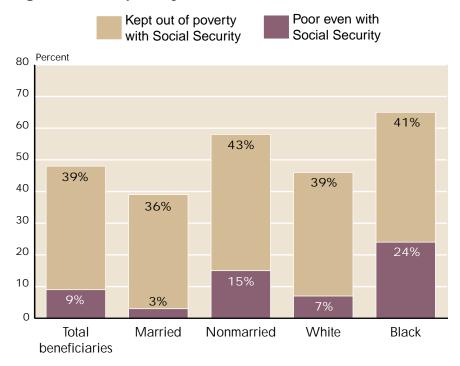


## Benefits Affect Poverty

Benefits reduce poverty rates, 1998

About two-fifths of the aged were kept out of poverty by Social Security benefits in 1998, a proportion that varies little by marital status or race. Overall, 9% of aged beneficiaries were poor; without Social Security, the total poverty rate would have been 48%. (Data are based on family income rather than aged person income to conform to official measures of poverty.)

#### Aged units and poverty status

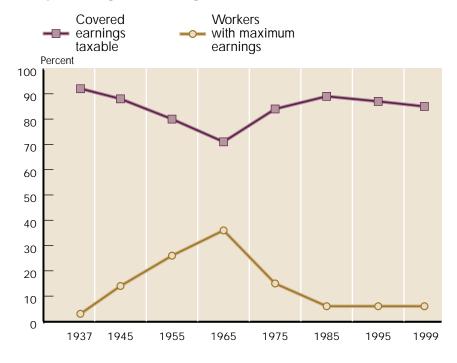


## Workers and Insured Status

Workers with taxable earnings, 1937-99

In 1999, 152 million workers had earnings in employment covered by the Social Security program. Of these workers, 6% had earnings that equaled or exceeded the maximum amount currently subject to Social Security taxes, compared with 3% when the program began and a peak of 35% in 1965. About 85% of the earnings of workers in covered employment were taxable in 1999, compared with 92% in 1937.

# Percentage of covered workers with maximum earnings and percentage of earnings taxable







#### Workers and Insured Status

Insured workers, 1970-2000

Of persons aged 20 or older, the percentage insured for benefits has steadily increased over time. The percent permanently insured (those with enough covered work experience to qualify for retired-worker benefits at retirement age) rose from 50% in 1970 to 69% in 2000. The percentage fully insured increased from 77% to 88%. To be fully insured, a worker must have at least one quarter of coverage for each year elapsed after 1950 (or age 21, if later) and before the year in which he or she attains age 62 or becomes disabled. To be insured for disability, the worker must be fully insured and have at least 20 quarters of coverage during the last 40 quarters. (Requirements for currently insured status are somewhat different for persons younger than age 31.)

## Insured workers, aged 20 or older, as a percentage of the corresponding population, 1970–2000

	Population	Permanently	Fully	Insured for
Year*	(in millions)**	insured	insured	disability
1970	135.2	50	77	52
1975	147.5	50	80	54
1980	162.0	53	83	58
1985	175.1	57	84	60
1990	186.0	63	86	62
1995	194.7	66	87	64
2000	204.8	69	88	66

<sup>\*</sup>As of December 31.

Source: Office of the Chief Actuary, SSA.

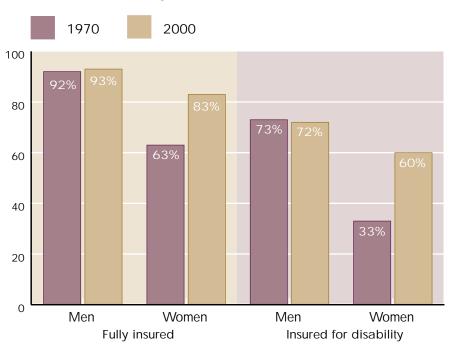
<sup>\*\*</sup>The population in the Social Security area includes residents of the 50 states and the District of Columbia; civilian residents of American Samoa, Guam, Northern Mariana Islands, Puerto Rico, and the Virgin Islands; federal civilian employees and Armed Forces abroad and their dependents; crew members of merchant vessels; and all other U.S. citizens abroad.

## Workers and Insured Status

Insured status, by sex, 1970 and 2000

Although men are more likely than women to be insured, the gender gap is shrinking. The proportion of men insured has remained essentially stable, with 93% fully insured and about 73% insured for disability. By contrast, the proportion of women insured has increased dramatically—from 63% to 83% for those fully insured and from 33% to 60% for those insured for disability.

# Percentage of population aged 20 or older insured for benefits, by sex





## New Benefit Awards

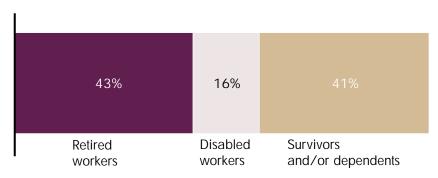
Benefits awarded, 1999

Benefits were awarded to 3.9 million persons in 1999. Forty-three percent were retired workers and 16% were disabled workers. The remaining 41% were survivors and/or dependents of workers—that is, spouses and children of retired or disabled workers who received benefits based on the worker's earnings record.

## Awards, 1999

Type of beneficiary New awards	Total number (in thousands) 3,917	Total percent 100
Retired workers and dependents Workers Spouses and children	2,065 1,690 375	52 43 9
Disabled workers and dependents Workers Spouses and children	1,045 621 424	27 16 11
Survivors of deceased workers	807	21

#### Percentage of benefits awarded, 1999

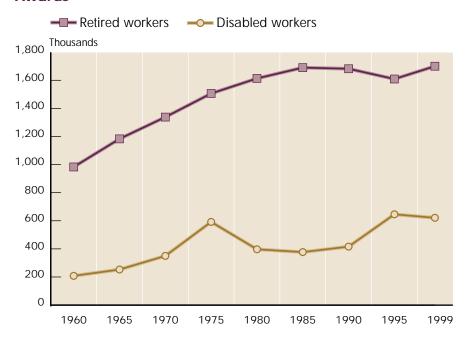


## New Benefit Awards

Benefits awarded to workers, 1960-99

Benefits awarded to retired workers have increased considerably since 1960 but proportionately much less than benefits to disabled workers. The patterns of growth have also differed. Retired-worker awards rose steadily during the first half of the period, then leveled off around 1980 and have since declined slightly. Disabled-worker awards increased rapidly until the late seventies, then declined considerably for about a decade, resuming their growth during the nineties.

#### **Awards**







## Benefits in Current-Payment Status

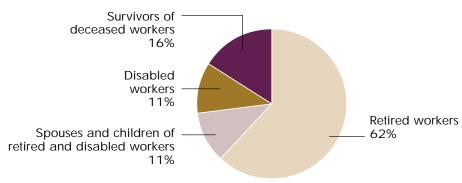
Persons receiving monthly benefits, December 1999

More than 44 million persons were receiving monthly Social Security benefits in December 1999. Of these, the majority were retired workers.

## Benefit receipt, by type of beneficiary

Type of beneficiary	Total number (in thousands)	Total percent
Total with benefits in current-payment status	44, 596	100
Retired workers and dependents Workers Spouses and children	31,028 27,775 3,253	69 62 7
Disabled workers and dependents Workers Spouses and children	6,524 4,879 1,644	15 11 4
Survivors of deceased workers	7,044	16

#### Percentage of beneficiaries in current-payment status



## **Benefit Amounts**

Average amount of newly awarded benefits and benefits in current-payment status, 1999

Benefits payable to workers who retire at the normal retirement age and to disabled workers are equal to 100% of the PIA (subject to any applicable deductions). At the normal retirement age, widows benefits are also payable at 100% of the insured worker's PIA. Nondisabled widows and widowers can receive reduced benefits at age 60. Disabled widow benefits are payable (with a greater reduction) at age 50. Spouses, children, and parents receive smaller proportions of the worker's PIA than widows do.

## Average monthly benefit amounts, 1999

	New	Current-payment
Type of beneficiary	awards	amount
Retired workers	\$795	\$804
Spouses	338	411
Children	351	373
Disabled workers	783	754
Spouses	207	189
Children	212	216
Survivors		
Nondisabled widows and widowers	715	775
Disabled widows and widowers	502	500
Widowed mothers and fathers	569	566
Surviving children	539	526
Parents	688	674



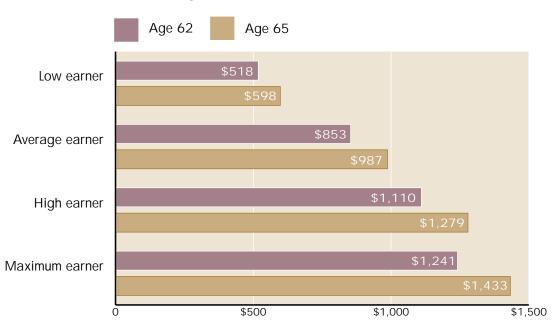


#### **Benefit Amounts**

Hypothetical benefit amounts, 2000

A covered worker who had worked continuously at low wages (45% of average national wages) and who claimed benefits at age 62 in January 2000 would have received a monthly benefit of \$518. One who had earnings at or above the maximum amount subject to Social Security taxes and who claimed benefits at age 65 would have received \$1,433.

# Hypothetical benefit amounts for a person who claimed benefits in January 2000\*



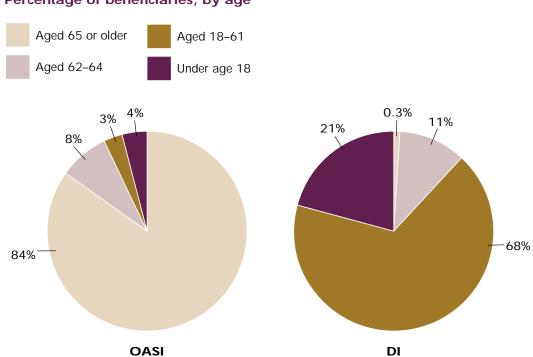
<sup>\*</sup> Low earnings are defined as 45% of the national average wage index, average earnings are equal to the index, high earnings are 160% of the index, and maximum earnings are equal to the OASDI contribution and benefits base. Source: Office of the Chief Actuary, SSA.

## Beneficiaries by Age

Age of persons receiving benefits, December 1999

Some 81% of all OASDI beneficiaries with benefits in current-payment status were aged 62 or older in December 1999. Among OASI beneficiaries, 93% were 62 or older. Among DI beneficiaries (disabled workers and their spouses and children), most were under age 62.

#### Percentage of beneficiaries, by age



Percents may not sum to total due to rounding.

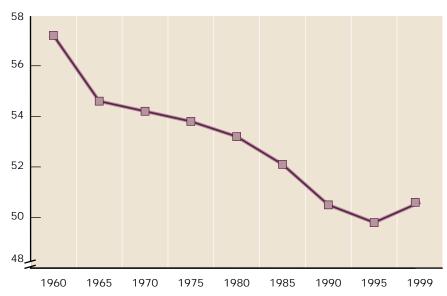


## Beneficiaries by Age

Age of disabled-worker beneficiaries, 1960–99

The average age of disabled-worker beneficiaries in current-payment status has declined substantially since 1960, when DI benefits first became available to persons younger than age 50. In that year, the average age of a disabled worker was 57.2 years. By 1980, it had fallen to 53.2, and in 1999, the average age was 50.6 years.

## Average age of disabled-worker beneficiaries

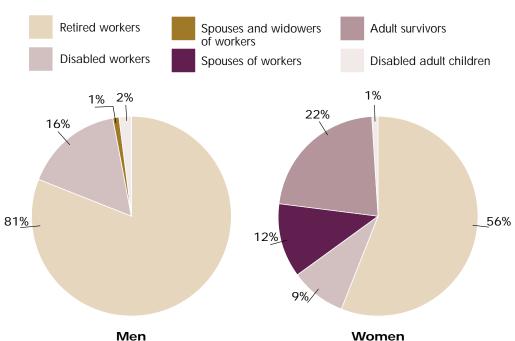


## Beneficiaries by Sex

Sex of persons receiving monthly benefits, December 1999

Of all adults receiving monthly Social Security benefits at the end of 1999, 42% were men and 58% were women. More than 80% of the men and more than 55% of the women received retired-worker benefits. Slightly less than one-fourth of the women received survivors benefits.

#### Percentage of adult beneficiaries, by sex





## Beneficiaries by Sex

Average monthly benefit amounts, December 1999

Among retired and disabled workers who collected benefits based on their own work record, men received a higher average monthly benefit than women. For those who collected benefits based on another person's work record (spouses and survivors), women had higher average benefits.

## Average monthly benefit by sex, December 1999

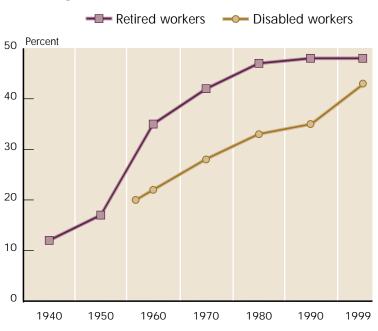
Type of beneficiary	Men	Women
Total	\$884	\$665
Retired workers	905	698
Spouses	235	413
Disabled workers	846	630
Spouses	145	190
Survivors		
Nondisabled widows and widowers	572	776
Disabled widows and widowers	340	504
Mothers and fathers	474	570

## Beneficiaries by Sex

Women-worker beneficiaries, 1940-99

The proportion of women among retired-worker beneficiaries has quadrupled since 1940. The proportion of women among disabled-worker beneficiaries has more than doubled since 1957, when benefits first became payable to disabled workers.

#### Percentage of women-worker beneficiaries, 1940-99





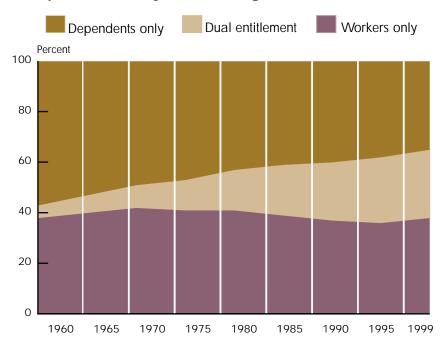


## **Dual Entitlement**

Dual entitlement, 1960-99

The proportion of women aged 62 or older who are receiving benefits as dependents (that is, on the basis of their husband's earnings record only) has been declining—from 57% in 1960 to 35% in 1999. At the same time, the proportion of women with dual entitlement (that is, paid on the basis of both their own earnings record and that of their husband) has been increasing—from 5% in 1960 to 27% in 1999.

#### Receipt of benefits by women at age 62 or older, 1999



## Recipients

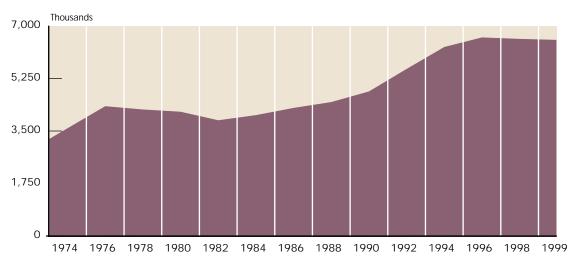
Historical comparison, by age, 1974-99

Shortly after the SSI program began in 1974, the number of persons receiving federally administered payments rose to 4 million. It remained at about that level until the mid-1980s, then rose through the mid-1990s. In 1999, it stood at nearly 6.6 million.

## Persons receiving federally administered SSI payments

December	Total number (in thousands)	December	Total number (in thousands)
1974	3,216	1988	4,464
1976	4,326	1990	4,817
1978	4,217	1992	5,566
1980	4,142	1994	6,296
1982	3,858	1996	6,614
1984	4,029	1998	6,566
1986	4,269	1999	6,557

## Persons receiving federally administered SSI payments



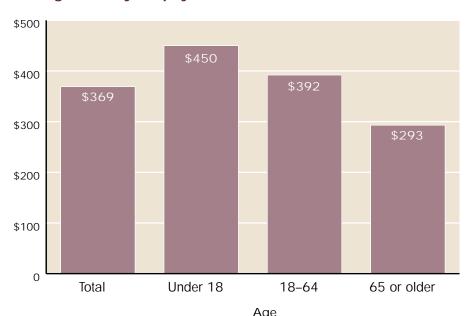


## **Payment Amounts**

Average monthly payments, by age group, December 1999

The average federally administered SSI payment was \$369 in December 1999. Payments varied by age group, ranging from an average of \$450 for those under 18 to \$293 for recipients aged 65 or older.

#### Average monthly SSI payment amount\*



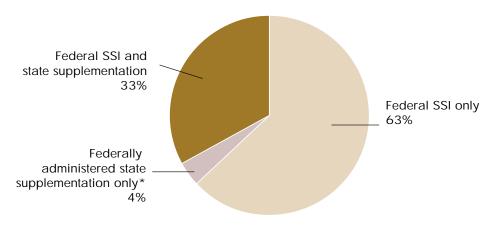
\* As of 1998, these figures exclude retroactive payments.

## Federally Administered Payments

Recipients by type of payment, December 1999

Over 6 million persons received federally administered SSI payments in December 1999. Most received federal SSI only. States have the option of supplementing the federal benefit rate and are required to do so if that rate does not equal the income the recipient would have had under the former state program.

#### Percentage of recipients, by type of payment



<sup>\*</sup> Excludes state-administered state supplementation.



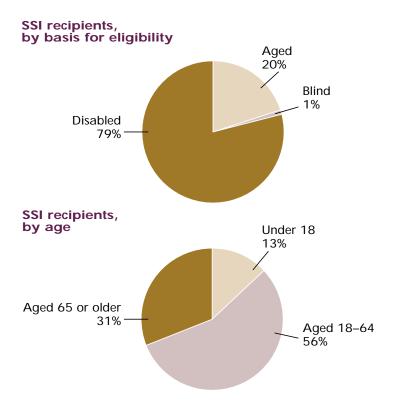




## Basis for Eligibility

Recipients by basis for eligibility and age, December 1999

One-fifth of SSI recipients have been awarded benefits on the basis of age; most of the rest on the basis of disability. One-third of the recipients were aged 65 or older. In the SSI program—unlike the OASDI program—a disabled recipient can be aged 65 or older. (DI beneficiaries are converted to the retirement program when they attain age 65.)

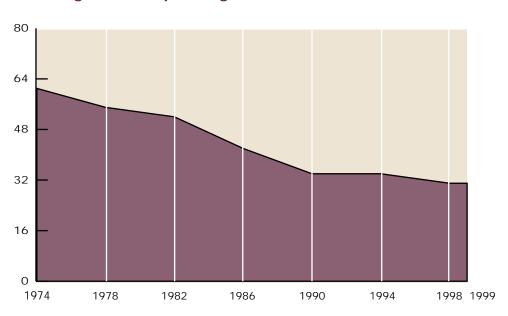


## Recipients by Age

Historical comparison, by age, 1974-99

The proportion of SSI recipients aged 65 or older has declined from 61% in January 1974 to 31% in December 1999. The long-term growth of the SSI program has occurred because of an increase in the number of disabled recipients, most of whom are under age 65.

#### Percentage of SSI recipients aged 65 or older



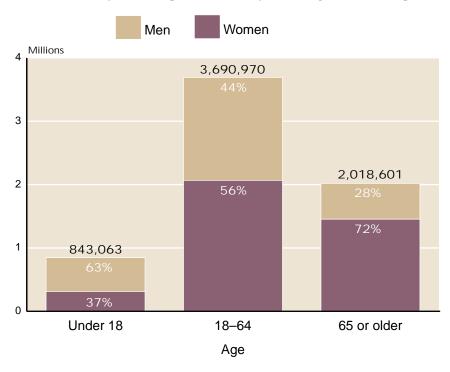


## Recipients by Sex and Age

Distribution by sex and age, December 1999

Overall, 59% of the SSI recipients in December 1999 were women, but this varied by age group. Women accounted for nearly three-fourths of recipients aged 65 or older, over half of those aged 18–64, and over a third of those under age18.

#### Number and percentage of SSI recipients, by sex and age

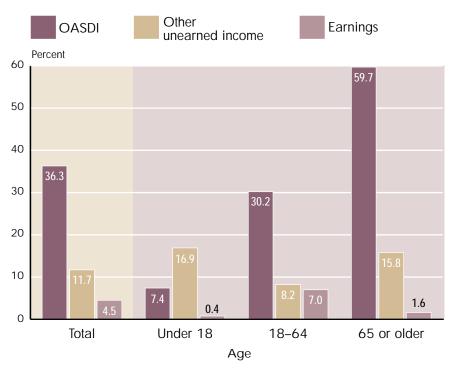


## Other Income

Type of other income received, December 1999

Nearly two-thirds of aged SSI recipients received OASDI benefits in December 1999, as did about one-third of those aged 18–64 and 7% of those under age 18. Other types of unearned income, such as veterans' pensions or income from assets, also occurred most frequently among those aged 65 or older (16%), while earned income was most prevalent (7%) among those 18–64.

#### Percentage with other income, by source and age





# OASDI AND/OR SSI

## All Beneficiaries

Receipt of OASDI and SSI payments, December 1999

More than 48 million persons received a payment from Social Security in December 1999. Most (42.2 million) received OASDI benefits only; about 4.2 million received SSI only; and 2.4 million received payments from both programs.

## Receipt of OASDI and/or SSI

Type of beneficiary Total receiving OASDI and/or SSI	Number (in thousands) 48,770
Total receiving OASDI	44,596
Receiving OASDI only	42,213
Total receiving SSI	6,557
Receiving SSI only	4,173
Receiving both OASDI and SSI	2,383

## Number receiving OASDI and/or SSI



# OASDI AND/OR SSI

## Beneficiaries Aged 65 or Older

Receipt of OASI and/or SSI aged benefits, December 1999

Aged or survivors benefits were paid to 32.9 million persons aged 65 or older in December 1999. About 1.2 million of them received both OASI and SSI.

# Receipt of OASI and/or SSI aged benefits

<b>Type of beneficiary</b> Aged 65 or older, total (unduplicated)	Number (in thousands) 32,938
OASI, total*	32,125
Retired workers	25,304
Spouses	2,474
Nondisabled widow(er)s	4,280
Disabled adult children aged 65 or older	63
SSI, total**	2,019
Receiving SSI only	813
Concurrently receiving both OASI and SSI	1,206

<sup>\*</sup>Total includes 4,800 persons who received either dependent parents benefits, special age-72 benefits, or mothers/fathers benefits.



<sup>\*\*</sup> Includes 710,600 disabled and blind SSI recipients aged 65 or older.



# OASDI AND/OR SSI

## Disabled Beneficiaries

Receipt of disability payments, December 1999

Payments based on the beneficiary's own disability were made to 9.1 million persons under age 65 in December 1999. About 37% of them received payments from the SSI program only, 50% received payments from the OASDI program only, and 13% received payments from both programs.

## Receiving OASDI and/or SSI disability payments

<b>Type of payment</b> Total	Number (in thousands) 9,097
OASDI disability Disabled workers Disabled children aged 18-64 Disabled widow(er)s	5,736 4,879 658 199
OASDI disability only	4,559
SSI disability* Blind and disabled aged 18-64 Blind and disabled under age 18	4,538 3,691 847
SSI disability only	3,361
Both OASDI and SSI	1,177

<sup>\*</sup>Total excludes 710,600 disabled and blind SSI recipients aged 65 or older.

#### Number receiving disability payments



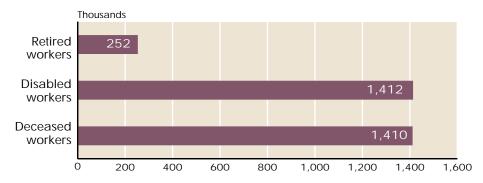
# CHILDREN AND SOCIAL SECURITY

## Children and OASDI

Current receipt, December 1999

Over 3 million children under age 18 and students aged 18–19 received OASDI benefits in December 1999—about half of them as the children of deceased workers. These children had the highest average payments, in part because they are eligible to receive monthly benefits equal to 75% of the worker's PIA, whereas the children of retired or disabled workers may receive 50%. Overall, the average monthly benefit amount for children was \$363.

#### Number of children of-



#### Average monthly benefit for children of-





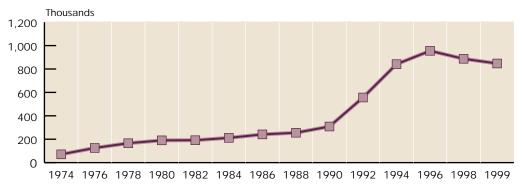
## CHILDREN AND SOCIAL SECURITY

## Children and SSI

Recipients and payment amounts, 1974-99

In 1974 when the program began, there were 70,900 blind and disabled children receiving payments under SSI. Since then, that number has increased ten-fold. The relatively high average payment to children (compared with those made to blind and disabled adults) is due in part to a limited amount of other countable income. The peak in average monthly benefits in 1992 is due to retroactive payments resulting from the *Sullivan* v. *Zebley* decision.

#### Number of children under age 18 receiving SSI payments



## Average monthly amount\*



<sup>\*</sup> As of 1998, these figures exclude retroactive payments.

## CHILDREN AND SOCIAL SECURITY

## SSA's Role in Reducing Poverty

Social Security's role in reducing poverty for children

In 1998, 7 million children were living in families receiving OASDI and/or SSI benefits. About 1.1 million children would have resided in families with incomes below the poverty line without these benefits. About 2.3 million children were still poor even though OASDI and SSI benefits improved their situation.

#### Reducing poverty for children

