

Social Security and Medicare News

Social Security Facts & Figures



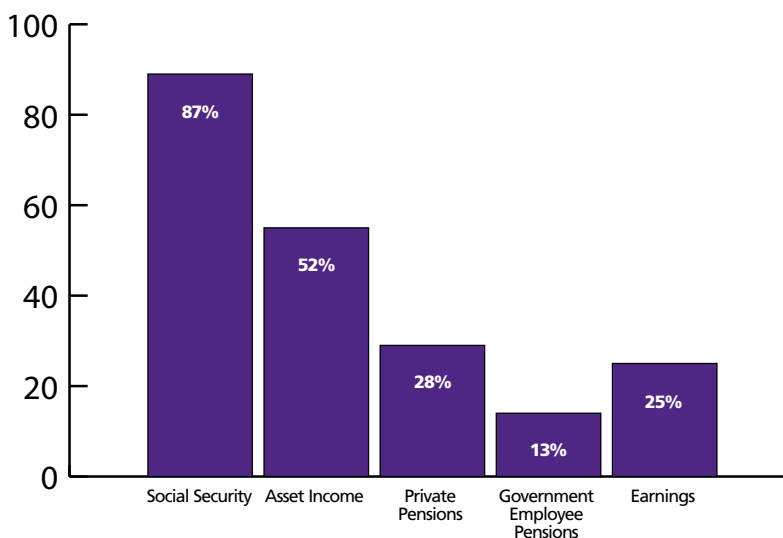
About 56 million beneficiaries were paid a benefit in 2008 according to **Fast Facts & Figures About Social Security, 2009** released by the Social Security Administration. Social Security is still the main source of income for 64% of the aged population who receive 50% or more of their total income from Social Security. For 35% of the aged, it is 90% or more of their total income. Other major findings are as follows.

Percentage of the aged receiving income by source

Social Security benefits are by far the largest source of retirement income at 87%. The next most common source is asset income at 52% – this percentage has basically stayed the same since 1962. Over the past 45 years, receipt of private pensions has more than tripled to 28% and receipt of government pensions has increased to 13%. The final portion of income is earnings at 25% (much less than the 36% in 1962). Earnings are the only income source to decline.

This Issue

- 1 Social Security Facts & Figures
- 2 Updated Social Security Index Factors



Beneficiaries by type of benefit

In addition to retirement benefits, Social Security also provides important survivors and disability insurance protection. As of December 2008, 63% of Social Security beneficiaries were retired workers, 15% were disabled workers, and 13% were survivors of deceased workers. The remaining 9% were spouses and children of retired and disabled workers.

New benefits awards

In 2008, benefits were awarded to 5.1 million new beneficiaries. Retired workers were 44% of these people and 17% were disabled workers. The remaining 39% was paid to spouses and children eligible for a retirement, survivor, or disability benefit based on the worker's earnings record. These awards represent not only new people to the benefit rolls but also people already on the rolls who become entitled to a different benefit, particularly converting disabled-worker benefits to retired-worker benefits at full retirement age.

Beneficiaries by age

For all the Social Security beneficiaries that were being paid a benefit, 79% were age 62 or older. Among the other beneficiaries (disabled workers, survivors, or dependents), 21% were under age 62.

Average monthly benefits by gender

Men received about 30% more in average monthly benefits than women for retirement and disability benefits based on their own work records. For those with benefits based on another person's work record (spouses and survivors), women had higher average benefits. In the following table are the average monthly benefits paid based on gender.

Average Monthly Benefits (in dollars)		
Beneficiary	Men	Women
Total	\$1,274	\$962
Workers		
Retired	\$1,299	\$1,001
Disabled	\$1,191	\$920
Spouses of		
Retired workers	\$335	\$573
Disabled workers	\$229	\$288
Survivors of deceased workers		
Non-disabled widow(er)s	\$938	\$1,115
Disabled widow(er)s	\$498	\$692
Mothers and fathers	\$720	\$843

Women with dual entitlement, 1960-2008

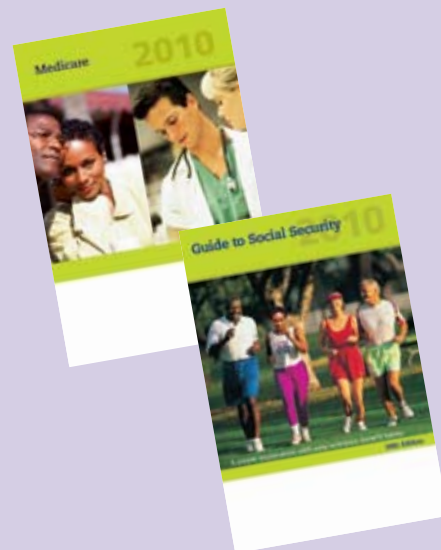
The number of women age 62 or older who receive benefits as dependents – based on their husband’s earnings record only – has been declining from 57% in 1960 to 28% in 2008. At the same time, the number of women with dual entitlement – able to receive a benefit based on both their own earnings record and also their husband’s earnings record – has been increasing from 5% in 1960 to 28% in 2008.

How Social Security is financed

Social Security is financed primarily by payroll taxes (84%), interest on trust-fund assets (14%), and revenue from the federal income taxation of Social Security benefits (2%). The program covered about 162 million workers in 2008.

Long-run financial outlook

To keep the Social Security program sustainable, some action is needed for the long-term due to the aging baby boomers, low fertility rates, and increasing life expectancies. It is predicted that the trust funds will be exhausted by 2037. At that point, Social Security income will be sufficient to pay only 76% of program costs.



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Updated Social Security Index Factors

These are used under the wage-indexed benefit-computation method to adjust Social Security covered earnings in years prior to the second year before attaining age 62, or before becoming disabled or dying before age 62. The factors for each year back to 1951 for 2010 eligibles are derived by dividing the average wage figure for 2008 – **\$41,334.97** – by the average wage figure for the particular year. The following table shows the index factors, average wages, and taxable earnings bases from 1951 through 2010.

Calendar Year	Taxable Earnings Base	Average Wage	Index Factor
1951	\$3,600	\$2,799.16	14.76692
1952	3,600	2,973.32	13.90196
1953	3,600	3,139.44	13.16635
1954	3,600	3,155.64	13.09876
1955	4,200	3,301.44	12.52029
1956	4,200	3,532.36	11.70180
1957	4,200	3,641.72	11.35040
1958	4,200	3,673.80	11.25128
1959	4,800	3,855.80	10.72021
1960	4,800	4,007.12	10.31538
1961	4,800	4,086.76	10.11436
1962	4,800	4,291.40	9.63205
1963	4,800	4,396.64	9.40149
1964	4,800	4,576.32	9.03236
1965	4,800	4,658.72	8.87260
1966	6,600	4,938.36	8.37018
1967	6,600	5,213.44	7.92854
1968	7,800	5,571.76	7.41866
1969	7,800	5,893.76	7.01334
1970	7,800	6,186.24	6.68176
1971	7,800	6,497.08	6.36208
1972	9,000	7,133.80	5.79424
1973	10,800	7,580.16	5.45305
1974	13,200	8,030.76	5.14708
1975	14,100	8,630.92	4.78917
1976	15,300	9,226.48	4.48004
1977	16,500	9,779.44	4.22672
1978	17,700	10,556.03	3.91577
1979	22,900	11,479.46	3.60078
1980	25,900	12,513.46	3.30324
1981	29,700	13,773.10	3.00114
1982	32,400	14,531.34	2.84454
1983	35,700	15,239.24	2.71240
1984	37,800	16,135.07	2.56181
1985	39,600	16,822.51	2.45712
1986	42,000	17,321.82	2.38629

Calendar Year	Taxable Earnings Base	Average Wage	Index Factor
1987	43,800	18,426.51	2.24323
1988	45,000	19,334.04	2.13794
1989	48,000	20,099.55	2.05651
1990	51,300	21,027.98	1.96571
1991	53,400	21,811.60	1.89509
1992	55,500	22,935.42	1.80223
1993	57,600	23,132.67	1.78687
1994	60,600	23,753.53	1.74016
1995	61,200	24,705.66	1.67310
1996	62,700	25,913.90	1.59509
1997	65,400	27,426.00	1.50715
1998	68,400	28,861.44	1.43219
1999	72,600	30,469.84	1.35659
2000	76,200	32,154.82	1.28550
2001	80,400	32,921.92	1.25555
2002	84,900	33,252.09	1.24308
2003	87,000	34,064.95	1.21342
2004	87,900	35,648.55	1.15951
2005	90,000	36,952.94	1.11858
2006	94,200	38,651.41	1.06943
2007	97,500	40,405.48	1.02300
2008	102,000	41,334.97	1.00000
2009	106,800	N/A	1.00000
2010	106,800	N/A	1.00000

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