

Social Security Is a Critical Income Source for Older Americans: State-Level Estimates, 2007–2009

Selena Caldera
AARP Public Policy Institute

Social Security is a key income source for older Americans. In 2009, 89 percent of all people age 65 and older received Social Security as part of their family income. Social Security retirement benefits are guaranteed for life and are adjusted to keep pace with inflation, making them a valuable source of retirement income for many older Americans. In 2009, half of all older Americans relied on Social Security for 50 percent or more of their family income; while 23 percent relied on Social Security for 90 percent or more of their family income.

Almost 9 Million Older Americans Relied on Social Security for Nearly All of Their Income

More than 19 million older Americans relied on Social Security for 50 percent or more of their family income and almost half of them, about 9 million, relied on Social Security for 90 percent or more of their family income. Social Security is such a vital source of income for older Americans that it kept 36 percent, or almost 14 million, of older Americans out of poverty in 2009.

Reliance on Social Security Varies by State

The number of older Americans relying on Social Security as a critical source of family income varied significantly across states.

Montana (63%), Arkansas (63%), and West Virginia (59%) had the greatest shares of older Americans relying on Social Security for 50 percent or more of their family income (table 1). Arkansas, Mississippi, and Louisiana—where more than a third of older Americans relied on Social Security for 90 percent or more of their family income—had the greatest percentage relying on Social Security for nearly all of their income (table 1).

Florida and California had the most older Americans, more than 1.5 million in each state, relying on Social Security for 50 percent or more of their family income. New York, Pennsylvania, and Texas also had large numbers of seniors (more than 1 million) relying on Social Security for half or more of their family income. Florida and California also had the most seniors (more than 750,000) relying on Social Security for nearly all of their family income, followed again by New York and Texas, which had more than 550,000 seniors relying on Social Security benefits for 90 percent or more of their income.

Technical Note

This analysis uses family income data from the U.S. Census Bureau's March supplement of the Current Population Survey (CPS). The CPS is not designed to be representative at

Social Security Is a Critical Income Source for Older Americans: State-Level Estimates, 2007–2009

the state level. As a result, the sample size for an individual state for one year may be too small to yield a precise estimate for the subpopulation of those age 65 and older.

To remedy this problem, this Fact Sheet provides estimates based on the average of three years of data from 2007 through 2009, as recommended by the Census Bureau.

The standard errors used in the confidence intervals reported here are based on formulas 2, 15, and 16 in Appendix G of “March 2010: Annual Social and Economic (ASEC) Supplement” available at <http://www.census.gov/aprd/hdoc/cps/cpsmar10.pdf> (table 2).

Fact Sheet 236, September, 2011

AARP Public Policy Institute,
601 E Street, NW, Washington, DC 20049

www.aarp.org/ppi

202-434-3910, ppi@aarp.org

© 2011, AARP.

Reprinting with permission only.

Table 1
Persons Age 65 and Older Rely on Social Security for a
Significant Share of Their Family Income, 2007–2009

State	50% or More of Family Income		90% or More of Family Income	
	Number of Older Americans	Percent	Number of Older Americans	Percent
Alabama	360,780	54.7	178,991	26.9
Alaska*	19,414	39.1	5,240	10.5
Arizona	339,799	47.0	141,239	19.5
Arkansas	229,379	62.6	131,784	36.0
California	1,592,592	40.4	752,256	19.1
Colorado	212,812	43.3	104,918	21.4
Connecticut	216,327	47.6	74,377	16.4
Delaware	58,571	49.1	25,069	21.1
District of Columbia	19,786	31.2	11,550	18.2
Florida	1,568,998	52.2	763,120	25.4
Georgia	464,914	54.0	257,667	30.0
Hawaii	62,582	32.8	29,662	15.5
Idaho	105,371	56.6	48,695	26.1
Illinois	700,916	50.0	284,341	20.2
Indiana	466,441	58.1	216,304	27.0
Iowa	211,081	56.3	85,706	22.9
Kansas	177,567	54.6	76,203	23.5
Kentucky	316,153	58.1	153,006	28.1
Louisiana	310,886	58.4	180,463	33.8
Maine	110,980	54.5	49,998	24.6
Maryland	239,560	37.6	121,639	19.1
Massachusetts	420,063	46.3	199,428	22.1
Michigan	709,615	56.4	286,303	22.8
Minnesota	330,373	51.5	134,191	20.9
Mississippi	211,164	58.2	123,454	33.9
Missouri	432,633	57.1	187,102	24.7
Montana	87,085	63.2	42,596	30.8
Nebraska	111,588	53.2	40,621	19.4
Nevada	131,722	44.7	65,227	22.2
New Hampshire	77,735	48.4	35,526	22.1
New Jersey	505,398	47.1	242,083	22.5
New Mexico	116,719	48.4	54,260	22.5
New York	1,174,428	47.6	558,286	22.6
North Carolina	650,911	56.2	339,132	29.3
North Dakota	39,035	50.0	16,596	21.3
Ohio	809,520	56.0	337,297	23.3
Oklahoma	263,442	54.6	129,956	27.0
Oregon	256,189	52.1	106,781	21.8
Pennsylvania	1,046,210	56.6	422,773	22.9
Rhode Island	65,665	49.2	27,163	20.4
South Carolina	357,371	57.7	184,257	29.6
South Dakota	50,535	45.4	21,091	18.9
Tennessee	497,104	58.7	244,655	28.9

Table 1 (continued)

State	50% or More of Family Income		90% or More of Family Income	
	Number of Older Americans	Percent	Number of Older Americans	Percent
Texas	1,122,126	46.3	583,303	24.1
Utah	100,315	43.3	40,944	17.7
Vermont	46,072	55.7	20,910	25.4
Virginia	383,511	42.4	176,746	19.5
Washington	354,183	48.2	163,453	22.2
West Virginia	164,137	59.0	79,002	28.1
Wisconsin	410,803	57.0	169,104	23.6
Wyoming	34,331	53.2	18,097	28.0
<i>U.S. Total</i>	<i>19,180,967</i>	<i>50.6</i>	<i>8,866,881</i>	<i>23.4</i>

*The 90% or more reliance estimate for this state should be used with caution. The 90% confidence interval is equal to or greater than 40 percent of the estimate.

Note: The U.S. total is for 2009 and therefore is not equal to the sum of the state totals.

Source: AARP Public Policy Institute estimates from the March 2008–2010, Current Population Survey, U.S. Bureau of the Census.

Table 2
90% Confidence Intervals for Social Security Reliance Estimates, 2007–2009

State	50% or More of Family Income		90% or More of Family Income	
	Confidence Interval +/- for Number of Older Americans	Confidence Interval +/- for Percent	Confidence Interval +/- for Number of Older Americans	Confidence Interval +/- for Percent
Alabama	23,733	3.1	16,825	3.7
Alaska*	5,523	12.5	2,828	14.5
Arizona	22,926	3.2	14,817	3.6
Arkansas	18,890	3.8	14,323	4.7
California	48,947	1.4	34,033	1.5
Colorado	18,272	3.9	12,887	4.3
Connecticut	18,447	3.9	10,804	4.6
Delaware	9,588	7.6	6,294	8.8
District of Columbia	5,587	11.5	4,266	12.2
Florida	48,643	1.5	34,358	1.7
Georgia	26,858	2.7	20,034	3.2
Hawaii	9,916	6.7	6,832	7.2
Idaho	12,814	5.8	8,689	7.0
Illinois	32,916	2.2	20,911	2.6
Indiana	26,967	2.7	18,451	3.3
Iowa	18,215	3.9	11,579	4.9
Kansas	16,626	4.5	10,925	5.4
Kentucky	22,245	3.2	15,511	4.0
Louisiana	22,131	3.2	16,929	3.8
Maine	13,216	5.5	8,845	6.7
Maryland	19,368	3.5	13,861	3.8
Massachusetts	25,539	2.8	17,718	3.2
Michigan	33,094	2.2	21,202	2.7
Minnesota	22,691	3.2	14,459	3.9
Mississippi	18,202	4.0	13,912	4.9
Missouri	25,987	2.8	17,156	3.4
Montana	11,723	6.2	8,208	8.0
Nebraska	13,237	5.6	7,919	6.8
Nevada	14,361	4.9	10,152	5.6
New Hampshire	11,038	6.6	7,453	7.7
New Jersey	28,022	2.5	19,419	2.9
New Mexico	13,548	5.3	9,226	6.2
New York	42,361	1.7	29,441	1.9
North Carolina	31,796	2.3	23,046	2.7
North Dakota	7,843	9.2	5,097	11.0
Ohio	35,378	2.1	22,999	2.5
Oklahoma	20,350	3.6	14,268	4.3
Oregon	20,026	3.6	12,955	4.3
Pennsylvania	40,070	1.8	25,717	2.2
Rhode Island	10,152	7.2	6,491	8.5
South Carolina	23,669	3.1	17,076	3.8
South Dakota	8,885	8.1	5,758	9.0

Table 2 (continued)

State	50% or More of Family Income		90% or More of Family Income	
	Confidence Interval +/- for Number of Older Americans	Confidence Interval +/- for Percent	Confidence Interval +/- for Number of Older Americans	Confidence Interval +/- for Percent
Tennessee	27,822	2.6	19,533	3.3
Texas	41,490	1.7	30,140	1.9
Utah	12,502	5.8	7,984	6.5
Vermont	8,517	8.5	5,702	10.4
Virginia	24,408	2.9	16,636	3.2
Washington	23,511	3.1	16,069	3.5
West Virginia	16,106	4.5	11,175	5.7
Wisconsin	25,317	2.9	16,304	3.6
Wyoming	7,360	9.9	5,348	11.7

*The 90% or more reliance estimate for this state should be used with caution. The 90% confidence interval is equal to or greater than 40 percent of the estimate.

Note: The 90% confidence interval describes the reliability of the estimate; the larger the confidence interval in relation to the estimate, the less reliable the estimate. The confidence interval is equal to the estimate plus or minus the number or percentage points listed.

Source: AARP Public Policy Institute estimates from the March 2008–2010, Current Population Survey, U.S. Bureau of the Census. Gul