



Fast Facts & Figures About Social Security, 2006

Social Security Administration
Office of Policy
Office of Research, Evaluation, and Statistics
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DID YOU KNOW THAT...

- ✓ SSA paid benefits to more than 53 million people in 2005
- ✓ About 16 percent of the total U.S. population and 91 percent of the population aged 65 or older received Social Security benefits in 2004
- ✓ Social Security provided at least half the income for 66 percent of the aged in 2004
- ✓ Social Security benefits were awarded to nearly 4.7 million people in 2005
- ✓ Women accounted for 56 percent of adult Social Security beneficiaries in 2005
- ✓ The average age of disabled-worker beneficiaries was 51.8 in 2005
- ✓ Eighty-three percent of SSI recipients received payments because of disability or blindness in 2005

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 data series *Income of the Population 55 or Older*. Data on trust fund operations are from the 2006 Trustees Report.

The tables and charts illustrate the range of program beneficiaries, from the country's oldest to its youngest citizens. In all, more than 53 million people receive some type of benefit or assistance.

Rona Blumenthal prepared this chartbook. Staff of the Division of Information Resources edited the chartbook and prepared the print and electronic versions for publication.

Questions about the charts should be directed to Rona Blumenthal at 410-965-0163 or fast.facts@ssa.gov. This chartbook is available on our Web site at <http://www.socialsecurity.gov/policy>, as are the *Supplement* and *Income of the Population 55 or Older*. For additional copies, please e-mail op.publications@ssa.gov or call 202-358-6274.

Linda Drazga Maxfield
Associate Commissioner
for Research, Evaluation, and Statistics

September 2006

Abbreviations

AIME	average indexed monthly earnings
DI	Disability Insurance
FRA	full retirement age
HI	Hospital Insurance
OASDI	Old-Age, Survivors, and Disability Insurance
OASI	Old-Age and Survivors Insurance
PIA	primary insurance amount
SSA	Social Security Administration
SSI	Supplemental Security Income

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Cost-of-living adjustment: 4.1%

Tax rates (in percent)

	Employer and employee, each	Self-employed
Total	7.65	15.30
OASI	5.30	10.60
DI	0.90	1.80
HI	1.45	2.90

Average wage index

	Dollars	Increase from previous year (in percent)
2004	35,648.55	4.6
2005 (estimated)	37,197.43	4.3
2006 (estimated)	38,695.99	4.0

Maximum earnings subject to Social Security taxes (in dollars)

OASDI	94,200
HI	No limit

Taxes payable (in dollars)

	Total	OASI	DI	HI
Average earner	2,960	2,051	348	561
Maximum earner	5,841	4,993	848	No limit
Self-employed maximum earner	11,681	9,985	1,696	No limit

Work credits (quarters of coverage)

\$970 in earnings equals 1 credit

\$3,880 is the maximum earnings needed for 4 credits in a given year

Retirement earnings test (in dollars)

	Annually	Monthly
Ages 62–64 (\$1 for \$2 withholding rate)	12,480	1,040
Calendar year attaining full retirement age (\$1 for \$3 withholding rate) ^a	33,240	2,770
After calendar year attaining full retirement age or older	No limit	No limit

a. Test no longer applies beginning in the month in which retirement age is reached.

Age for full retirement benefit for retired workers

Year of birth	Full retirement age
1938	65 and 2 months
1939	65 and 4 months
1940	65 and 6 months
1941	65 and 8 months
1942	65 and 10 months
1943–1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

Benefit formula bend points (for workers with first eligibility in 2006)

Primary insurance amount (PIA) equals

- 90% of the first \$656 of AIME, plus
- 32% of AIME over \$656 through \$3,955 plus
- 15% of AIME over \$3,955

Disability thresholds

Substantial gainful activity

- \$860 per month for nonblind persons
- \$1,450 per month for blind persons

Trial work period

- \$620 per month

Maximum Social Security benefit

Worker retiring at full retirement age (65 and 8 months) in 2006
 \$2,053 per month

Trust fund operations (in billions of dollars)

Calendar year and trust fund	Income	Outgo	Fund at end of year
2005 (actual)			
Total	701.8	529.9	1,858.7
OASI	604.3	441.9	1,663.0
DI	97.4	88.0	195.6
2006 (estimated)			
Total	740.9	564.2	2,035.3
OASI	638.8	468.1	1,833.7
DI	102.2	96.1	201.6

OASDI administrative expenses

Costs were 0.9% of contributions in calendar year 2005

Benefit payments as a percentage of gross domestic product

Calendar year	Total	OASI	DI
2004	4.18	3.55	0.64
2005	4.17	3.49	0.68

Workload, fiscal year 2005 (in millions)

OASI claims	3.8
DI claims	2.6
SSI applications	2.5

Supplemental Security Income, January 2006

Federal benefit rate

\$603 individual, \$904 couple

Resource limits

\$2,000 individual, \$3,000 couple

Poverty thresholds, 2005 (in dollars)

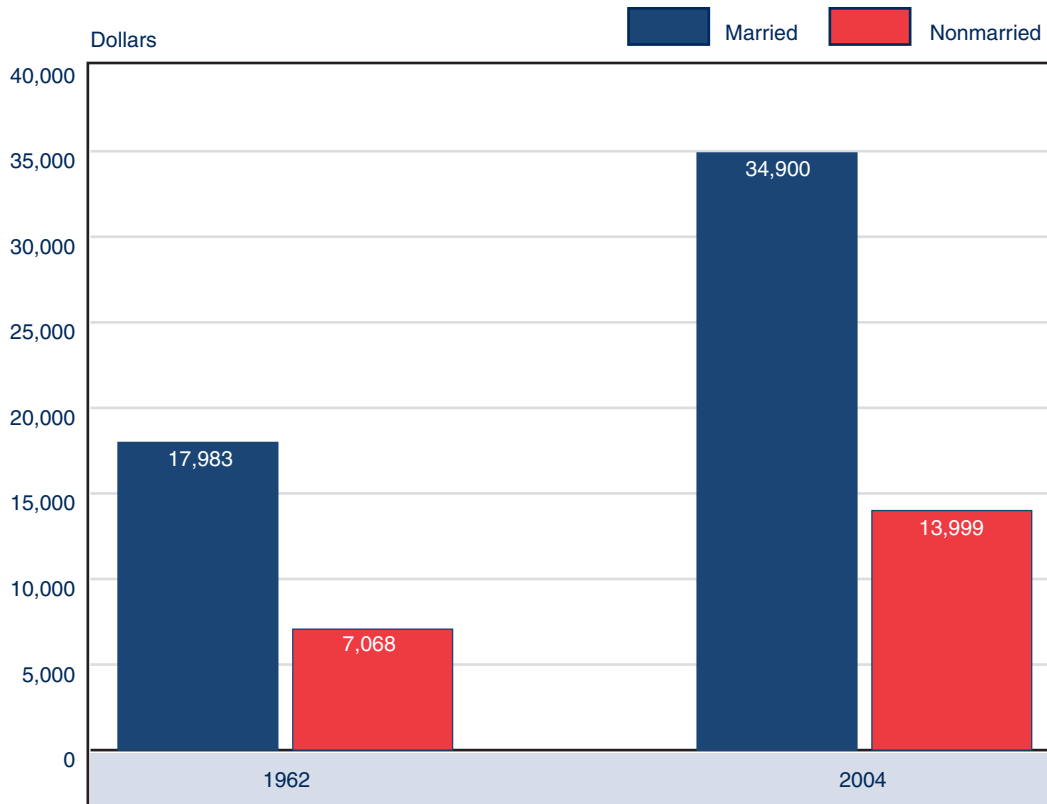
Aged individual	9,367
Family of two, aged head	11,805
Family of four	20,144

SOURCE: U.S. Census Bureau as of September 2006.

Size of Income, 1962 and 2004

Median annual income for married couples and nonmarried persons aged 65 or older has increased markedly since 1962 (the earliest year for which data are available). Even after adjusting for inflation, median income has risen 94% for married couples and 98% for nonmarried persons. A married couple is aged 65 or older if the husband is aged 65 or older or if the husband is aged 54 or younger and the wife is 65 or older.

Median income of aged units, by marital status (in 2004 dollars)



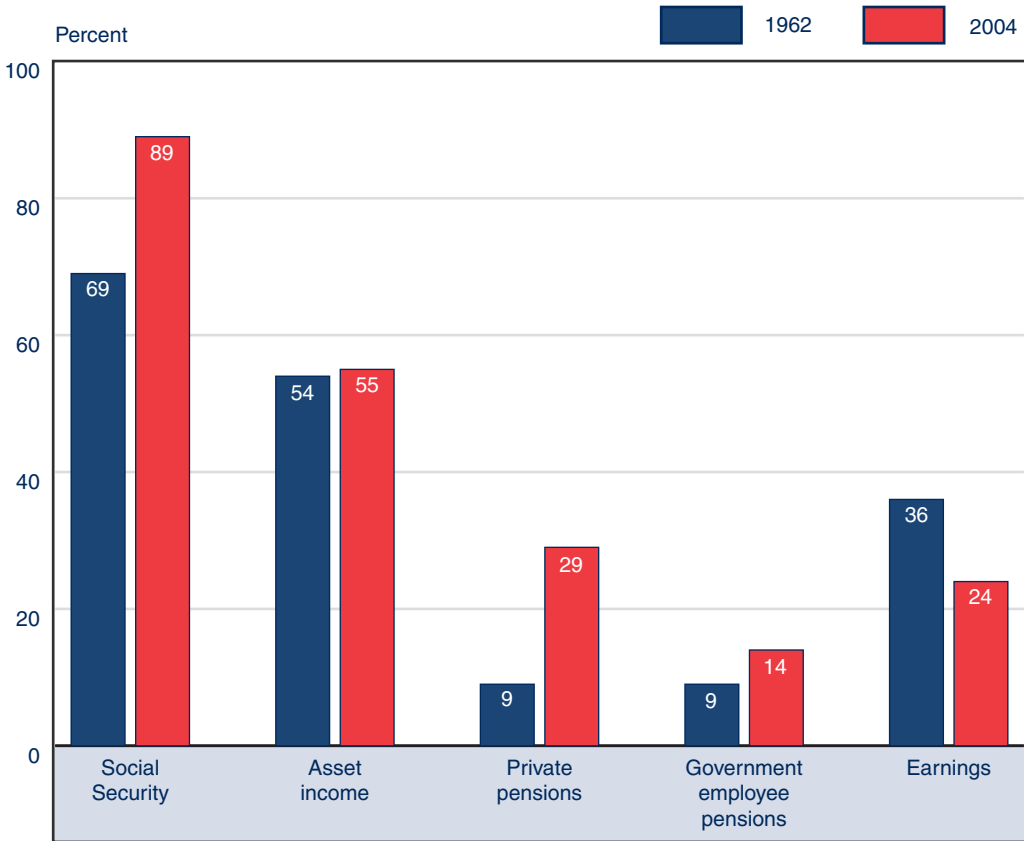
SOURCES: Social Security Administration, *Income of the Population 55 or Older, 2004*; *The Aged Population of the United States: The 1963 Social Security Survey of the Aged*.

NOTE: An aged unit is a married couple living together or a nonmarried person, which also includes persons who are separated or married but not living together.

Receipt of Income, 1962 and 2004

Social Security benefits—the most common source of income for married couples and nonmarried persons aged 65 or older in 1962—are now almost universal. The proportion of the aged population with asset income—the next most common source—is similar to that in 1962. Over the 42-year period, receipt of private pensions has tripled, and receipt of government pensions has increased by almost 50%. The proportion of couples and nonmarried persons aged 65 or older who received earnings was smaller in 2004 than in 1962.

Percentage of aged units receiving income, by source



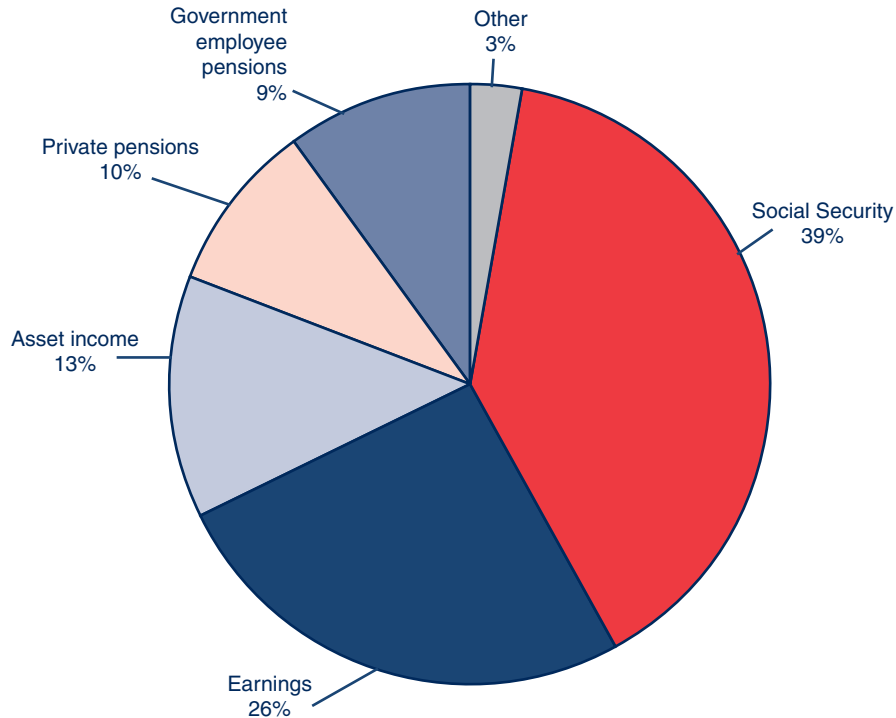
SOURCES: Social Security Administration, *Income of the Population 55 or Older, 2004*; *The Aged Population of the United States: The 1963 Social Security Survey of the Aged*.

NOTE: An aged unit is a married couple living together or a nonmarried person, which also includes persons who are separated or married but not living together.

Shares of Aggregate Income, 1962 and 2004

In 1962, Social Security, private and government employee pensions, income from assets, and earnings made up only 84% of the aggregate total income of couples and nonmarried persons aged 65 or older, compared with 97% in 2004. Although private pensions still accounted for only a small proportion of aggregate total income in 2004, they more than tripled their share over this period—from 3% to 10%. The share of aggregate total income from earnings declined from 28% to 26% during this time.

Aggregate income, by source, 2004



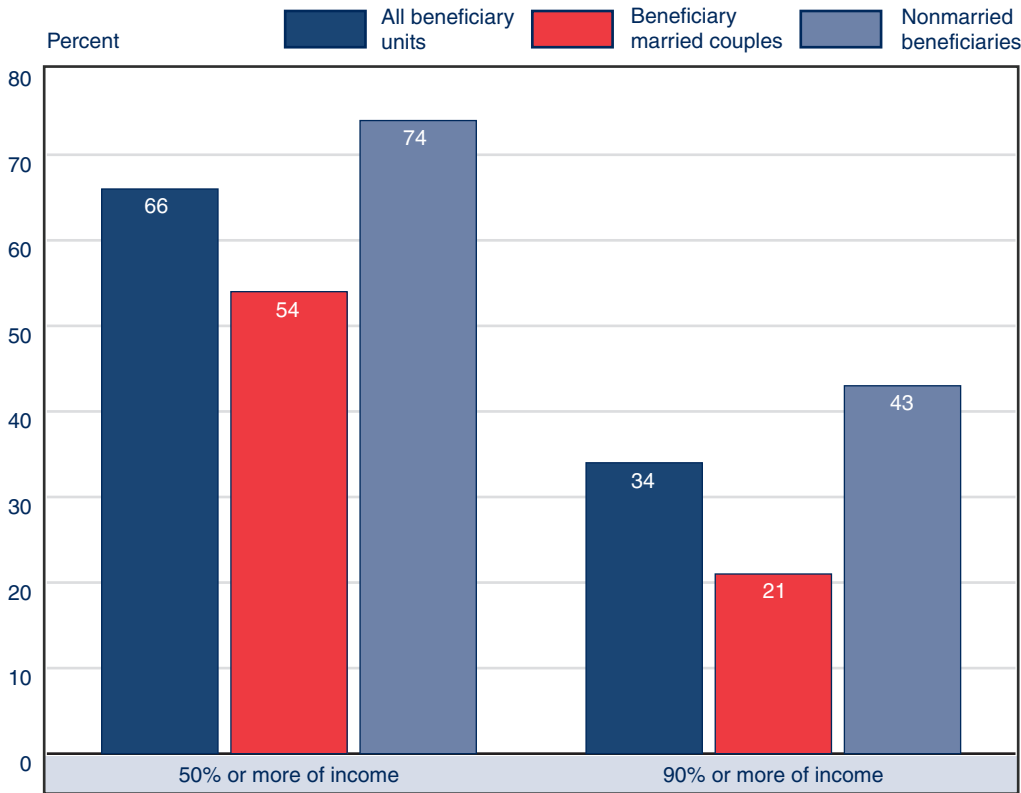
SOURCES: Social Security Administration, *Income of the Population 55 or Older, 2004*; *The Aged Population of the United States: The 1963 Social Security Survey of the Aged*.

NOTE: The unit of analysis is the aged unit, defined as a married couple living together or a nonmarried person, which also includes persons who are separated or married but not living together.

Relative Importance of Social Security, 2004

In 2004, 90% of married couples and 88% of nonmarried persons aged 65 or older received Social Security benefits. Social Security was the major source of income (providing at least 50% of total income) for 54% of aged beneficiary couples and 74% of aged nonmarried beneficiaries. It was 90% or more of income for 21% of aged beneficiary couples and 43% of aged nonmarried beneficiaries. Total income excludes withdrawals from savings and nonannuitized IRAs or 401(k) plans; it also excludes in-kind support, such as food stamps and housing and energy assistance.

Percentage of aged units receiving Social Security benefits, by relative importance of benefits to total income



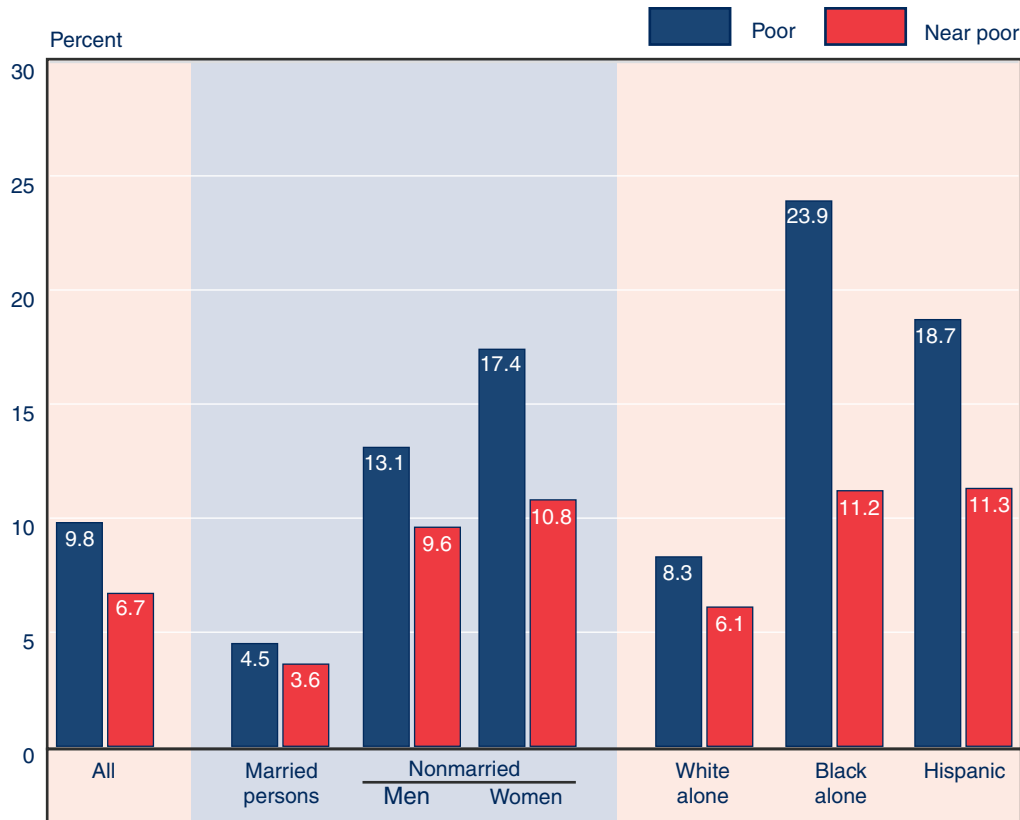
SOURCE: Social Security Administration, *Income of the Population 55 or Older, 2004*.

NOTE: An aged unit is a married couple living together or a nonmarried person, which also includes persons who are separated or married but not living together.

Poverty Status Based on Family Income, 2004

The aged poor are those with income below the poverty line. The near poor have income between the poverty line and 125% of the poverty line. Nonmarried women and minorities have the highest poverty rates, ranging from 17.4% to 23.9%. Married persons have the lowest poverty rates, with 4.5% poor and 3.6% near poor. Overall, 9.8% are poor and 6.7% near poor. Overall, 9.8% are poor and 6.7% near poor.

Poverty status, by marital status, sex of nonmarried persons, race, and Hispanic origin

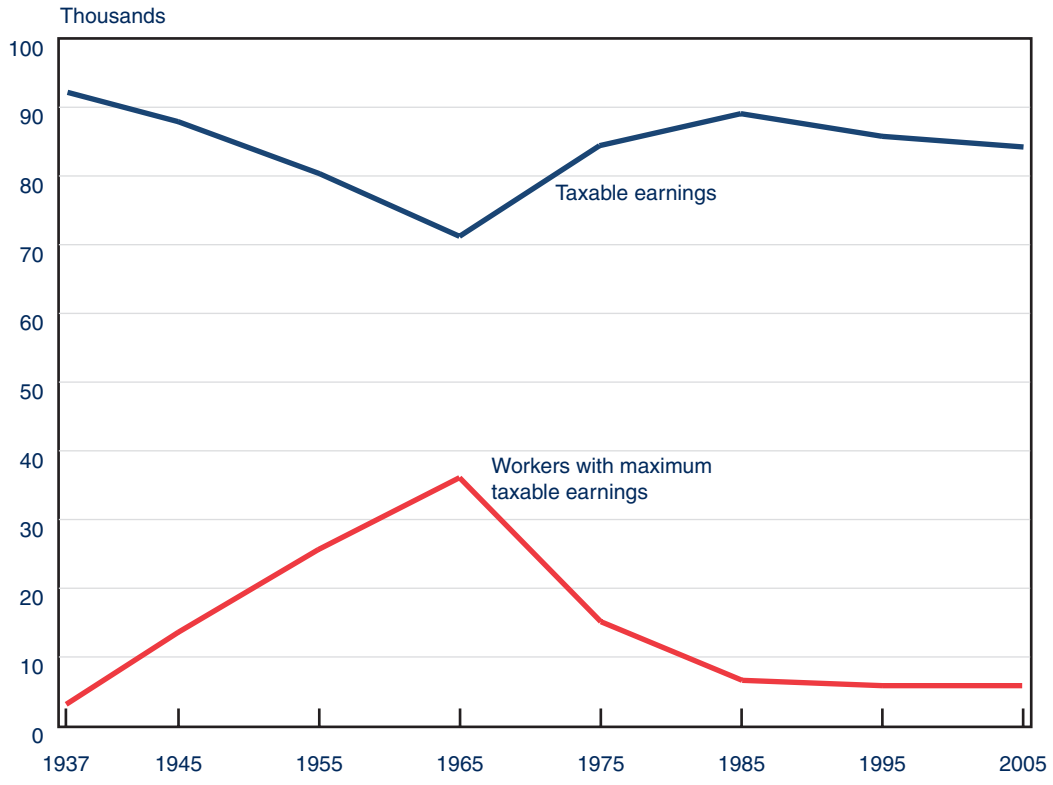


SOURCE: Social Security Administration, *Income of the Population 55 or Older, 2004*.

Earnings in Covered Employment, 1937–2005

People contribute to Social Security through payroll taxes or self-employment taxes (FICA and SECA), as required by the Federal Insurance Contributions Act. The maximum taxable amount is updated annually on the basis of increases in the average wage. Of the 159 million workers with earnings in Social Security–covered employment in 2005, 6% had earnings that equaled or exceeded the maximum amount subject to taxes, compared with 3% when the program began and a peak of 36% in 1965. About 84% of earnings in covered employment were taxable in 2005, compared with 92% in 1937.

Taxable earnings as a percentage of earnings in covered employment and percentage of workers with maximum taxable earnings, selected years



SOURCE: Social Security Administration, Office of the Chief Actuary.

Insured Status, 1970–2006

The percentage of persons aged 20 or older who are insured for benefits has increased over time. To be fully insured, a worker must have at least one work credit (quarter of coverage) for each year elapsed after age 21 (but no earlier than 1950) and before the year in which he or she attains age 62 or becomes disabled. The maximum number of work credits needed to be fully insured is 40. An individual is said to be permanently insured if he or she has earned 40 work credits. To be insured for disability, the worker must be fully insured and have at least 20 work credits during the last 40 calendar quarters. (Requirements for disability-insured status are somewhat different for persons younger than age 31.) Disability benefits are available up to full retirement age (FRA).

Insured workers as a percentage of the corresponding Social Security area population, selected years

Year	Population aged 20 or older			Population aged 20–FRA	
	Millions	Percentage permanently insured	Percentage fully insured	Millions	Percentage insured for disability
1970	135.2	50	77	113.2	62
1975	147.5	50	80	122.9	65
1980	162.0	53	83	133.3	70
1985	175.1	57	84	144.1	73
1990	186.0	63	86	151.9	76
1995	194.7	66	87	160.5	78
2000	204.7	69	88	169.2	79
2001	206.8	69	88	171.3	80
2002	209.1	69	89	173.2	80
2003	216.3	68	87	179.7	78
2004	216.9	69	87	180.3	79
2005	219.0	69	87	182.0	79
2006	221.8	69	87	184.3	79

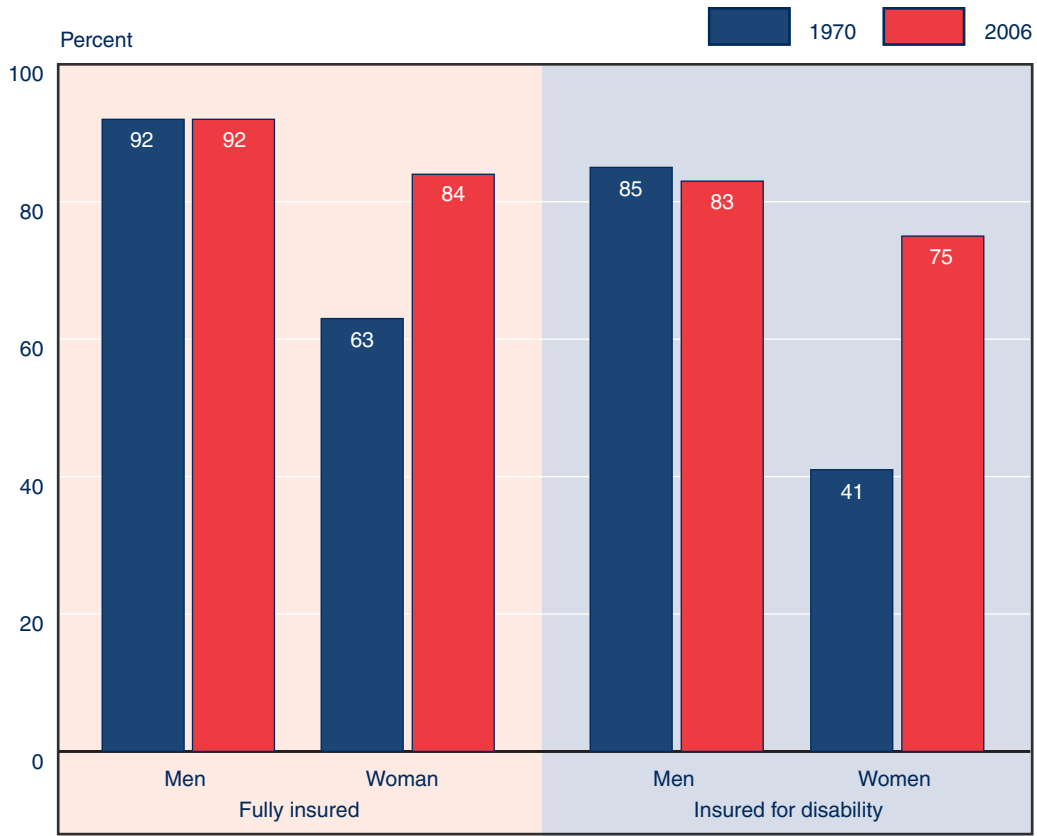
SOURCE: Social Security Administration, Office of the Chief Actuary.

NOTE: The population in the Social Security area includes residents of the 50 states and the District of Columbia adjusted for net census undercount; civilian residents of American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the Virgin Islands; federal civilian employees and persons in the armed forces abroad and their dependents; crew members of merchant vessels; and all other U.S. citizens abroad.

Insured Status, by Sex, 1970 and 2006

Although men are more likely than women to be insured, the gender gap is shrinking. The proportion of men who are insured has remained essentially stable, with 92% fully insured and 83% insured for disability. By contrast, the proportion of women who are insured has increased dramatically—from 63% to 84% fully insured and from 41% to 75% insured for disability.

Percentage of population in the Social Security area fully insured and insured for disability benefits, by sex



SOURCE: Social Security Administration, Office of the Chief Actuary.

NOTE: The population in the Social Security area includes residents of the 50 states and the District of Columbia adjusted for net census undercount; civilian residents of American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the Virgin Islands; federal civilian employees and persons in the armed forces abroad and their dependents; crew members of merchant vessels; and all other U.S. citizens abroad.

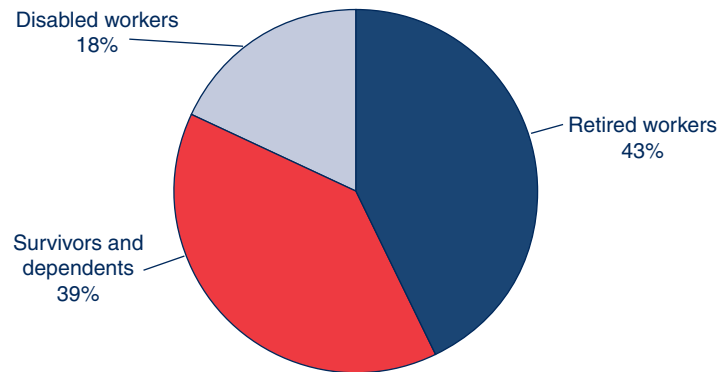
New Benefit Awards, 2005

Benefits were awarded to nearly 4.7 million persons: of those, 43% were retired workers and 18% were disabled workers. The remaining 39% were survivors or the spouses and children of retired or disabled workers. These awards represent not only new entrants to the benefit rolls but also persons already on the rolls who become entitled to a different benefit, particularly conversions of disabled-worker benefits to retired-worker benefits at full retirement age.

New awards, by type of beneficiary

Beneficiary	Number (thousands)	Percent
Total	4,672	100
Retired workers and dependents	2,453	52
Workers	2,000	43
Spouses and children	453	10
Disabled workers and dependents	1,349	29
Workers	830	18
Spouses and children	519	11
Survivors of deceased workers	870	19

New awards, 2005

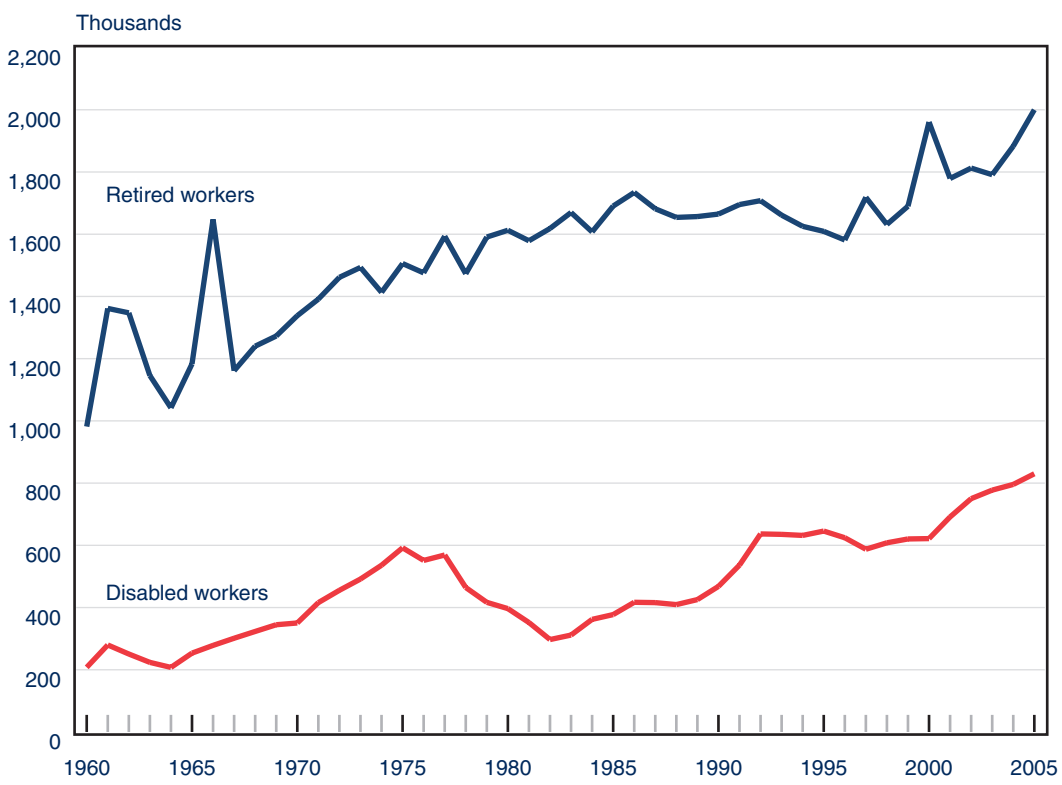


SOURCE: Social Security Administration, Master Beneficiary Record, 100 percent data.

New Awards to Workers, 1960–2005

Awards to retired workers have increased considerably since 1960 but proportionately much less than awards to disabled workers. Following the implementation of Medicare in 1965, the number of awards to retired workers rose from 1.2 million in 1967 to 2 million in 2005. Disabled-worker awards increased—from 208,000 in 1960 to 592,000 in the mid-1970s—before falling to 297,000 in 1982. The number then rose, reaching 830,000 in 2005.

New awards to retired and disabled workers



SOURCE: Social Security Administration, Master Beneficiary Record, 100 percent data.
 NOTE: Beginning in 2006, this chart displays data for all years rather than selected years.

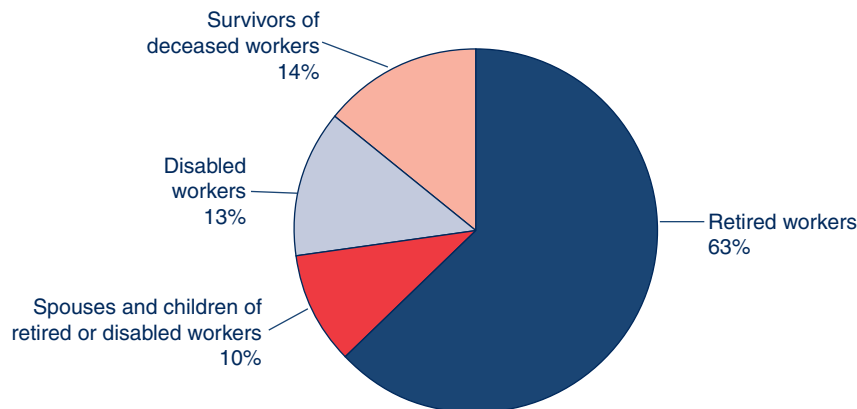
Beneficiaries in Current-Payment Status, December 2005

More than 48 million beneficiaries were in current-payment status, that is, they were being paid a benefit. Sixty-three percent of those beneficiaries were retired workers and 13% were disabled workers. The remaining 24% were survivors or the spouses and children of retired or disabled workers.

Beneficiaries in current-payment status

Beneficiary	Number (thousands)	Percent
Total	48,434	100
Retired workers and dependents	33,476	69
Workers	30,461	63
Spouses and children	3,015	6
Disabled workers and dependents	8,306	17
Workers	6,519	13
Spouses and children	1,787	4
Survivors of deceased workers	6,653	14

Beneficiaries, by type



SOURCE: Social Security Administration, Master Beneficiary Record, 100 percent data.

Average Benefit Amounts, 2005

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

Average monthly benefit for new awards and for benefits in current-payment status (in dollars)

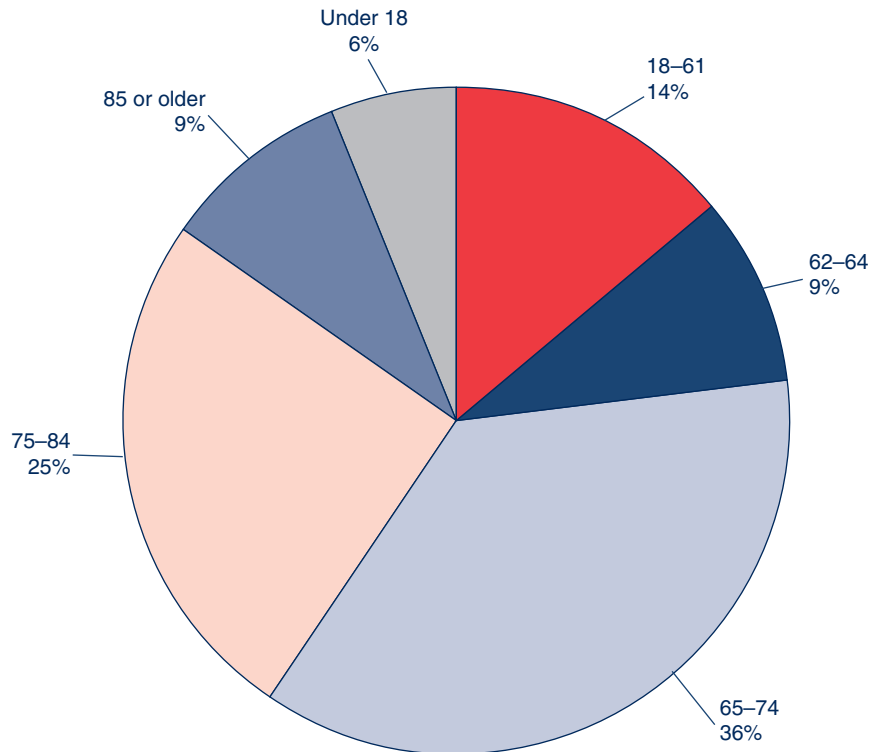
Beneficiary	New awards	Benefits in current-payment status, December
Total	810	916
Retired workers	1,001	1,002
Spouses	370	499
Children	465	493
Disabled workers	1,000	938
Spouses	254	246
Children	259	279
Survivors of deceased workers		
Nondisabled widow(er)s	795	966
Disabled widow(er)s	611	609
Widowed mothers and fathers	714	724
Surviving children	662	656
Parents	815	851

SOURCE: Social Security Administration, Master Beneficiary Record, 100 percent data.

Beneficiaries, by Age, December 2005

About four-fifths of all OASDI beneficiaries in current-payment status were aged 62 or older, including 25 percent aged 75–84 and 9 percent aged 85 or older. About 14 percent were persons aged 18–61 receiving benefits as disabled workers, survivors, or dependents. Another 6 percent were children under age 18.

Beneficiaries, by age



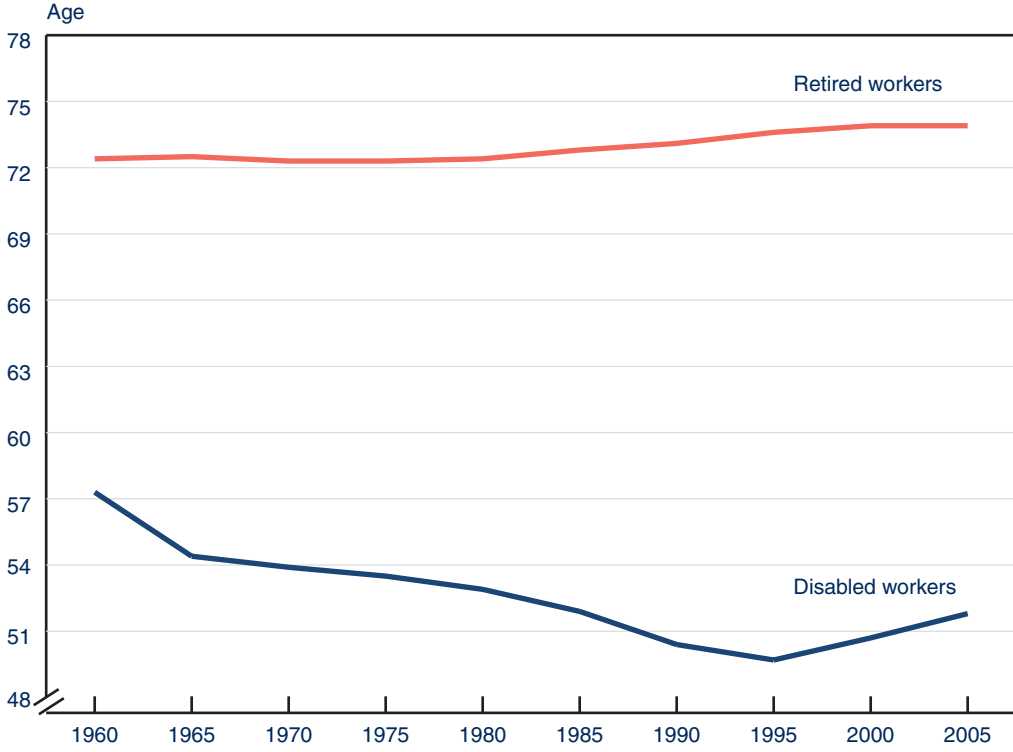
SOURCE: Social Security Administration, Master Beneficiary Record, 10 percent sample.

NOTE: Percentages may not add to 100 because of rounding.

Disabled and Retired Workers, by Age, 1960–2005

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. The rapid drop in average age in the following years reflects a growing number of awards to workers under 50. By 1995, the average age had fallen to a low of 49.8, and by 2005, it had risen slightly, to 51.8. In contrast, the average age of retired workers has changed little over time, rising from 72.4 in 1960 to 73.9 in 2005.

Average age of disabled and retired workers, selected years

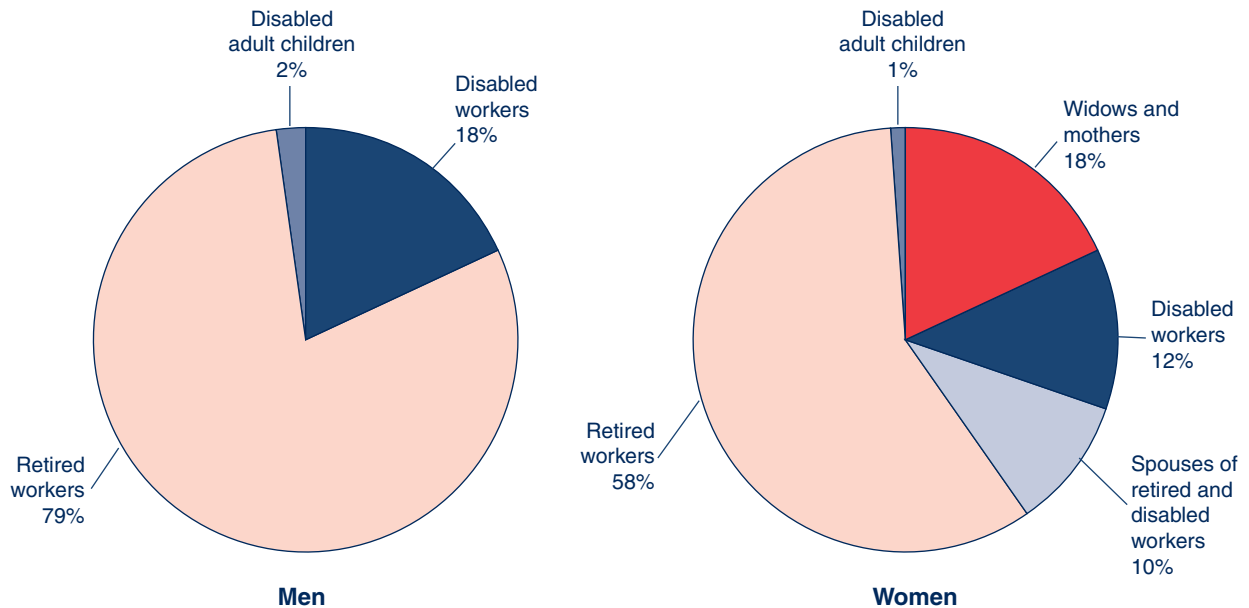


SOURCE: Social Security Administration, Master Beneficiary Record, 10 percent sample.

Beneficiaries, by Sex, December 2005

Of all adults receiving monthly Social Security benefits, 44% were men and 56% were women. Seventy-nine percent of the men and 58% of the women received retired-worker benefits. About one-fifth of the women received survivor benefits.

Adult beneficiaries, by type of beneficiary and sex



SOURCE: Social Security Administration, Master Beneficiary Record, 10 percent sample.

NOTE: Percentages may not add to 100 because of rounding.

Average Monthly Benefit, by Sex, December 2005

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

Average benefit (in dollars)

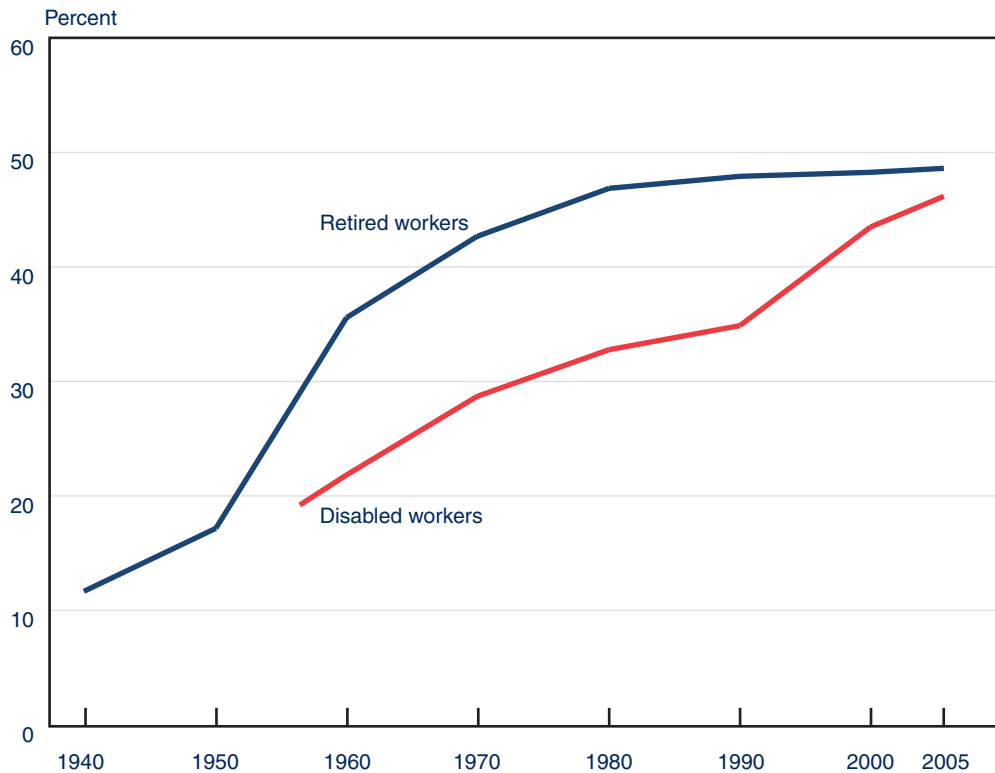
Beneficiary	Men	Women
All beneficiaries	1,101	832
Workers		
Retired	1,130	867
Disabled	1,051	806
Spouses of—		
Retired workers	285	503
Disabled workers	203	245
Survivors of deceased workers		
Nondisabled widow(er)s	782	969
Disabled widow(er)s	439	613
Mothers and fathers	617	728

SOURCE: Social Security Administration, Master Beneficiary Record, 10 percent sample.

Women Beneficiaries, 1940–2005

The proportion of women among retired-worker beneficiaries has quadrupled since 1960. The percentage climbed steadily from 12% in 1940 to 47% in 1980, 48% in 1990, and 49% in 2005. The proportion of women among disabled-worker beneficiaries has more than doubled since 1957, when DI benefits first became payable. The percentage rose steadily from 19% in 1957 to 35% in 1990 and 46% in 2005.

Women beneficiaries as a percentage of retired workers and disabled workers, selected years

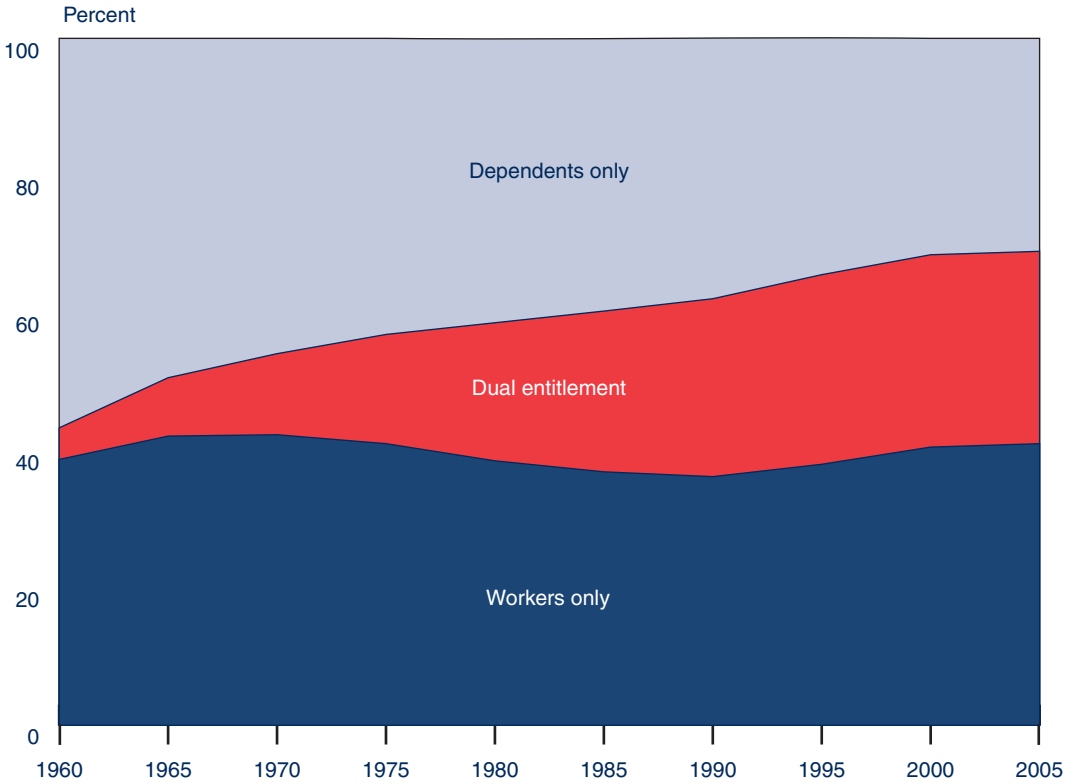


SOURCE: Social Security Administration, Master Beneficiary Record, 10 percent sample.

Women with Dual Entitlement, 1960–2005

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 31% in 2005. 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 28% in 2005.

Women aged 62 or older, by basis of entitlement, selected years



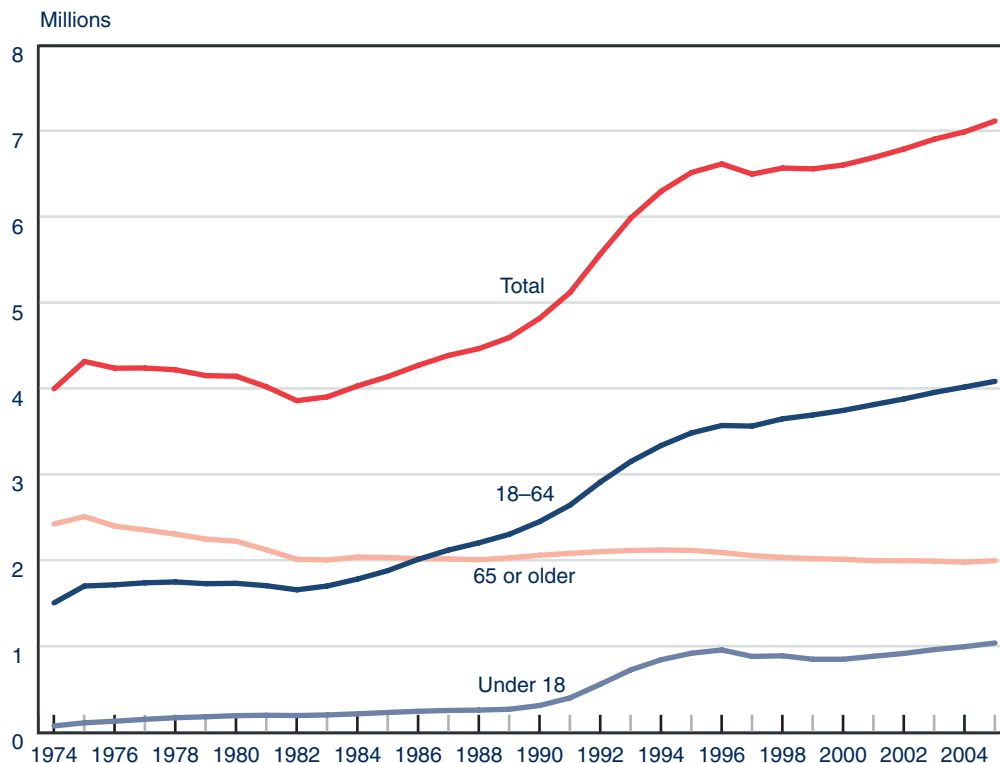
SOURCE: Social Security Administration, Master Beneficiary Record, 10 percent sample.

Number of Recipients, 1974–2005

The Supplemental Security Income (SSI) program provides income support to needy persons aged 65 or older, blind or disabled adults, and blind or disabled children. Eligibility requirements and federal payment standards are nationally uniform. SSI replaced the former federal/state adult assistance programs in the 50 states and the District of Columbia.

Payments under SSI began in January 1974, with 3.2 million persons receiving federally administered payments. By December 1974, this number had risen to nearly 4 million and remained at about that level until the mid-1980s, then rose steadily, reaching nearly 6 million in 1993 and 7 million by the end of 2004. As of December 2005, the number of recipients stood at 7.1 million. Of this total, 4.1 million were between the ages of 18 and 64, 2 million were aged 65 or older, and 1 million were under age 18.

Persons receiving federally administered SSI payments



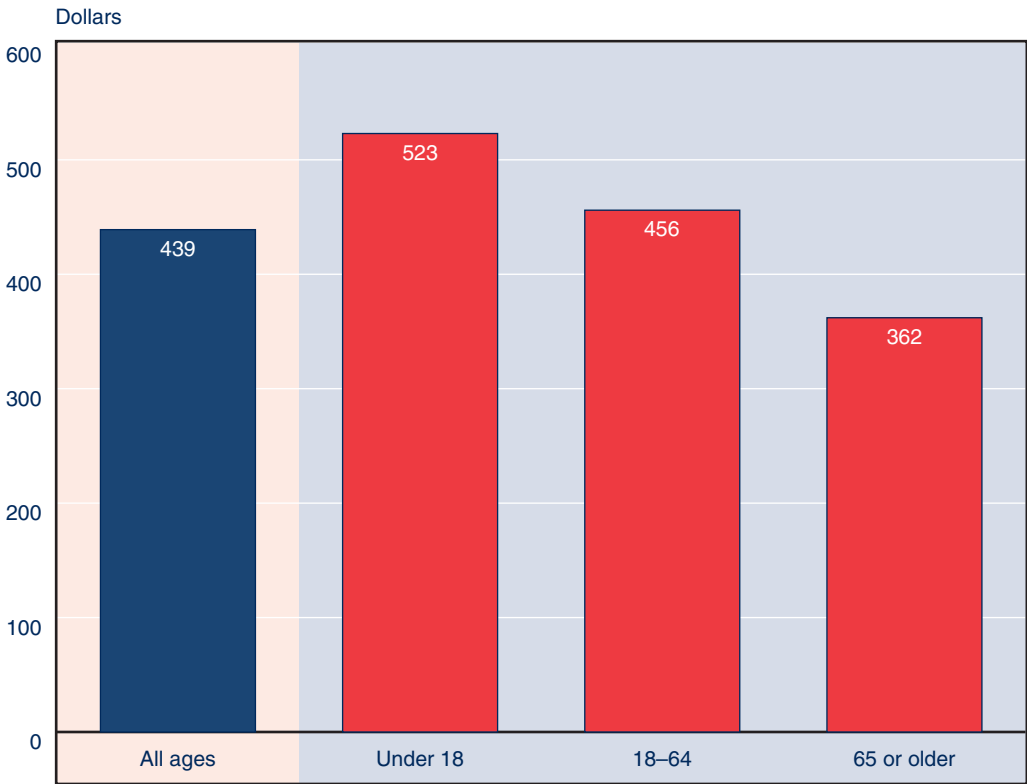
SOURCE: Social Security Administration, Supplemental Security Record (Characteristic Record Extract format), 100 percent data.

NOTE: Beginning in 2006, this chart displays data for all years rather than selected years.

Payment Amounts, by Age, December 2005

The average federally administered SSI payment was \$439. Payments varied by age group, ranging from an average of \$523 for recipients under 18 to \$362 for those 65 or older. The maximum federal benefit rate in December 2005 was \$579 for an individual, \$869 for a couple, plus any applicable state supplementation.

Average monthly federally administered SSI payment



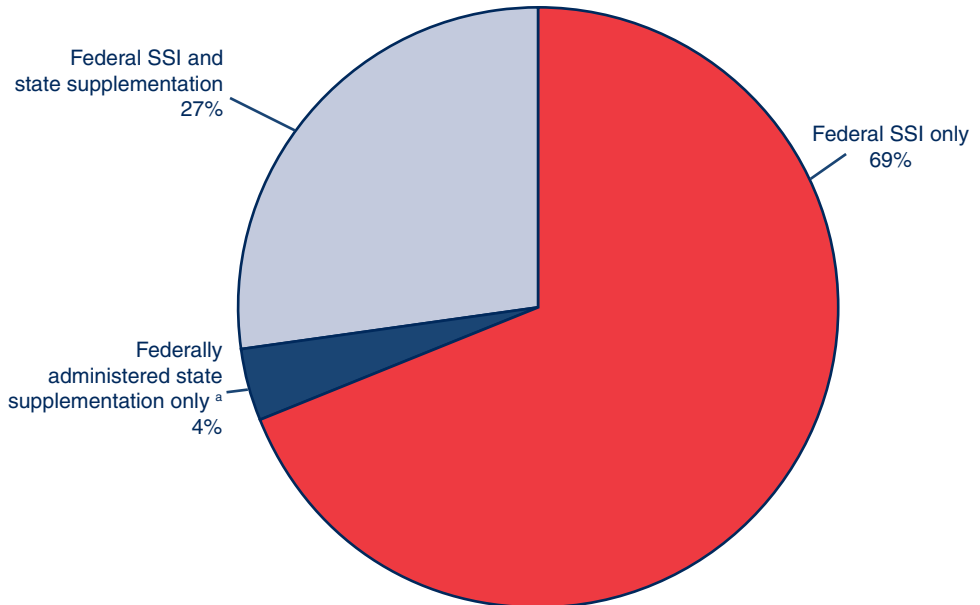
SOURCE: Social Security Administration, Supplemental Security Record (Characteristic Record Extract format), 100 percent data.

NOTE: Amounts exclude retroactive payments.

Federally Administered Payments, December 2005

A total of 7.1 million persons received federally administered SSI payments. The majority received federal SSI only. States have the option of supplementing the federal benefit rate and are required to do so if that rate is less than the income the recipient would have had under the former state program.

Type of SSI payment



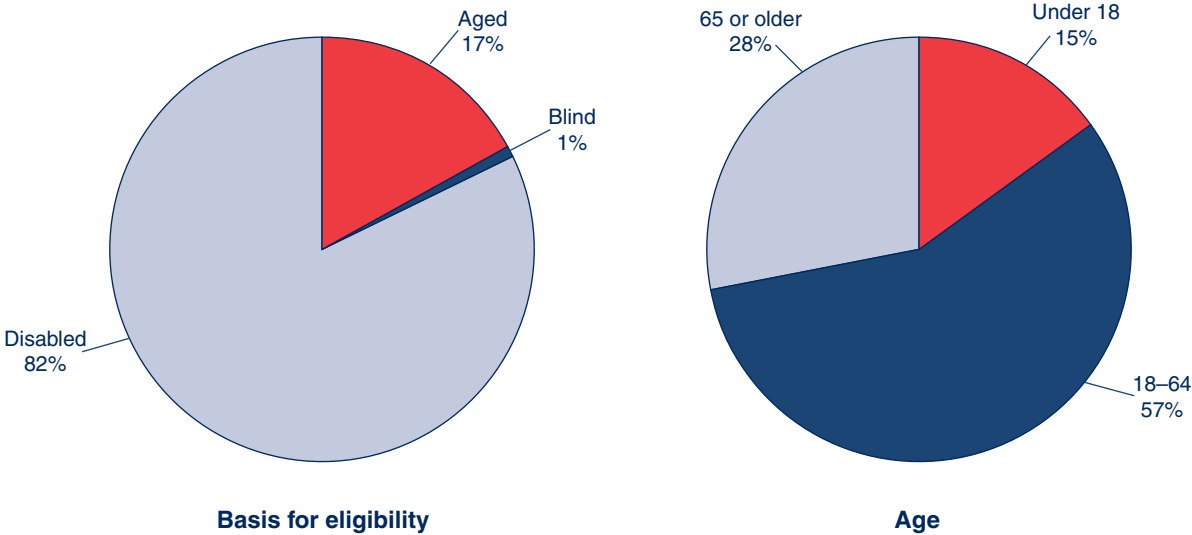
SOURCE: Social Security Administration, Supplemental Security Record (Characteristic Record Extract format), 100 percent data.

a. Excludes state-administered state supplementation. SSA administers state supplementation for 25 states.

Basis for Eligibility and Age of Recipients, December 2005

Seventeen percent of SSI recipients received benefits on the basis of age, the rest on the basis of disability. Twenty-eight percent of the recipients were aged 65 or older. In the SSI program—unlike the OASDI program—a disabled recipient is still classified as “disabled” after reaching full retirement age. DI beneficiaries are converted to the retirement program when they attain full retirement age.

SSI recipients, by basis for eligibility and age

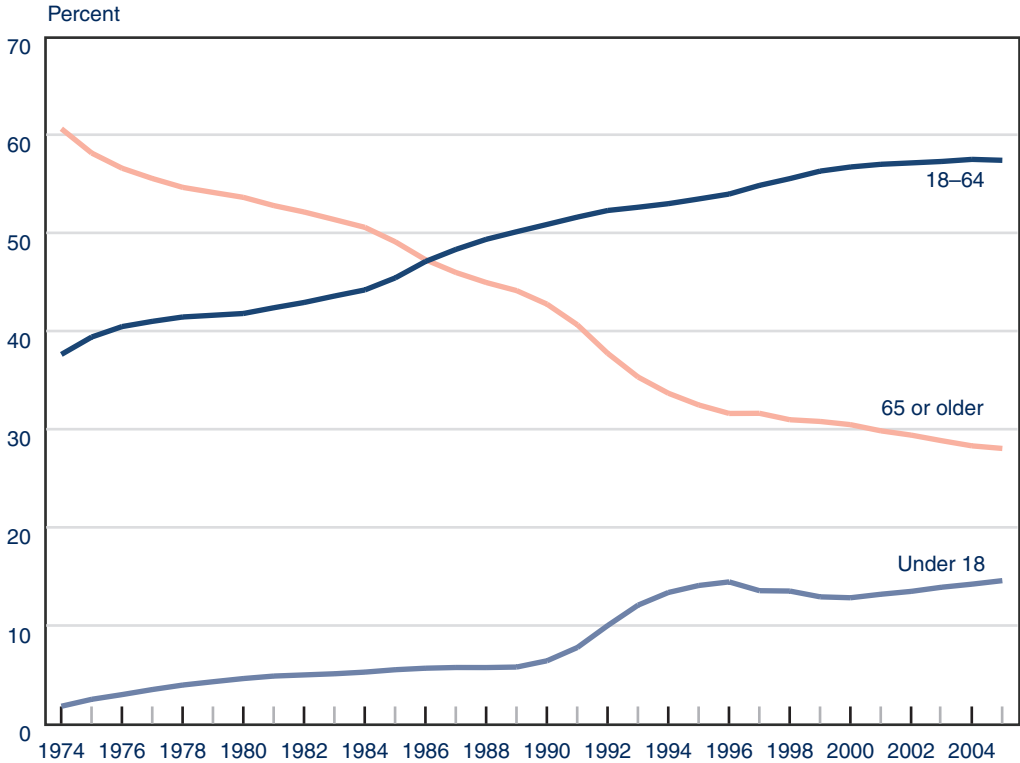


SOURCE: Social Security Administration, Supplemental Security Record (Characteristic Record Extract format), 100 percent data.

Percentage Distribution of Recipients, by Age, 1974–2005

The proportion of SSI recipients aged 65 or older has declined from 61% in January 1974 to 28% in December 2005. The overall 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 distribution of SSI recipients, by age



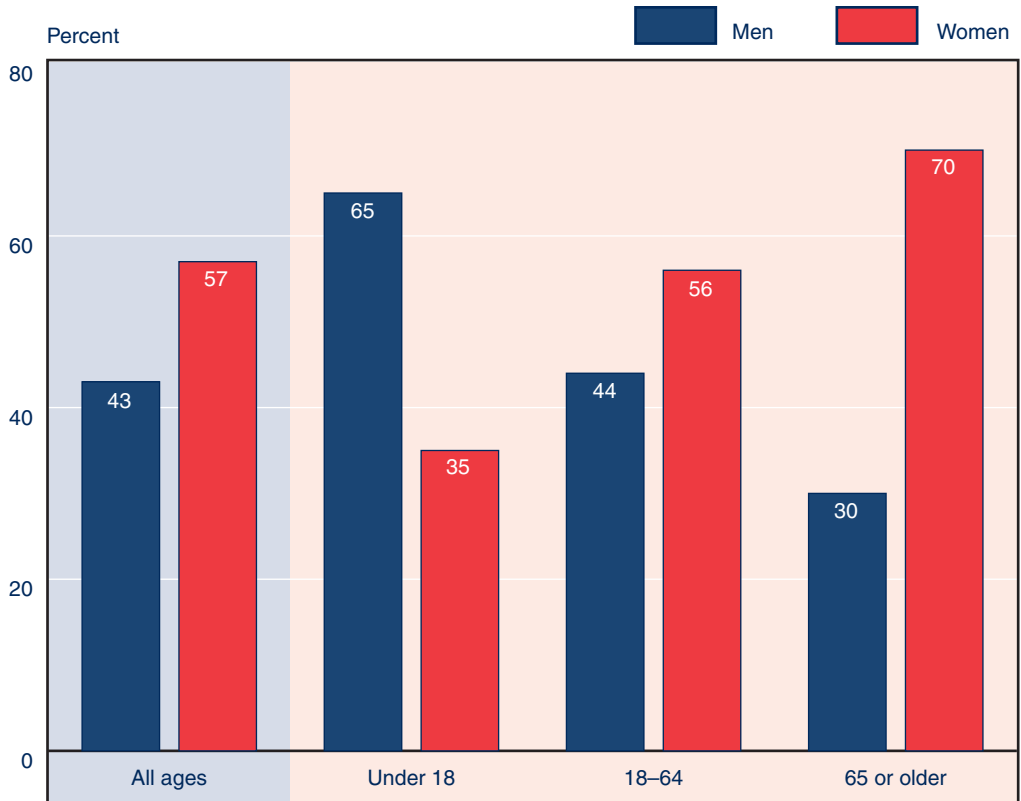
SOURCE: Social Security Administration, Supplemental Security Record (Characteristic Record Extract format), 100 percent data.

NOTE: Beginning in 2006, this chart displays data for all years rather than selected years.

Recipients, by Sex and Age, December 2005

Overall, 57% of the 7.1 million SSI recipients were women, but that percentage varied greatly by age group. Women accounted for 70% of the 2 million beneficiaries aged 65 or older, 56% of the 4.1 million recipients aged 18–64, and 35% of the 1 million recipients under age 18.

SSI recipients, by sex and age

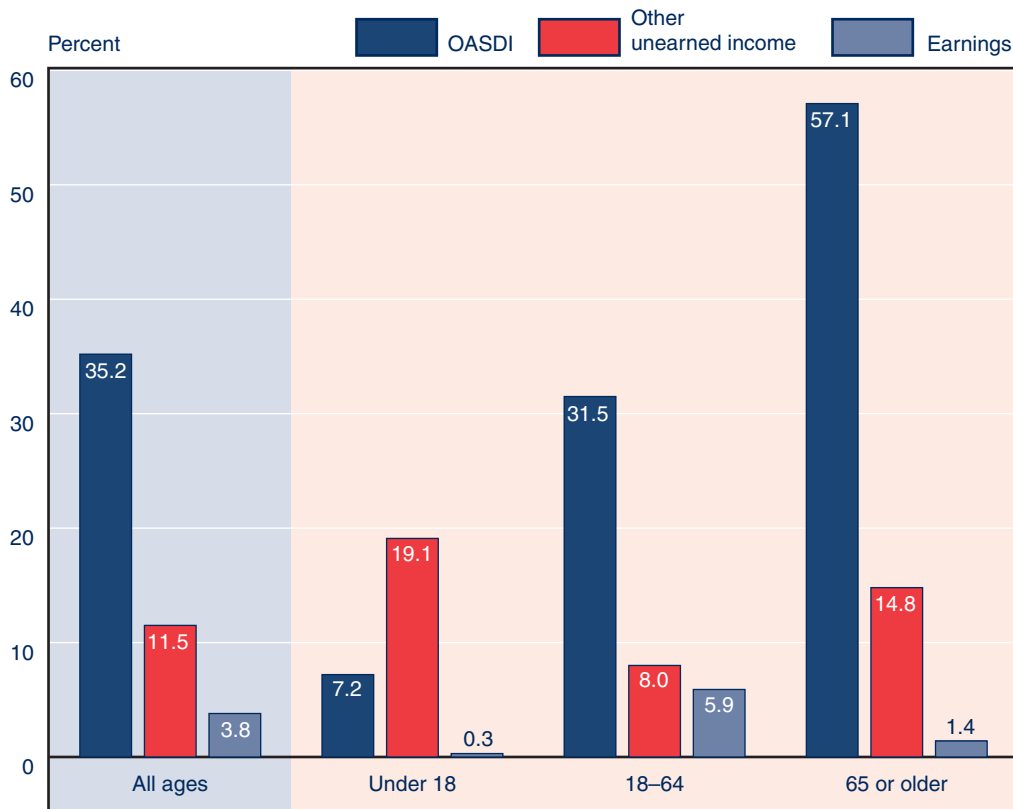


SOURCE: Social Security Administration, Supplemental Security Record (Characteristic Record Extract format), 100 percent data.

Other Income, December 2005

Fifty-seven percent of SSI recipients aged 65 or older received OASDI benefits, as did 32% of those aged 18–64 and 7% of those under age 18. Other types of unearned income, such as income from assets, were reported most frequently among those under age 18 (19%) and those aged 65 or older (15%). Earned income was most prevalent (6%) among those aged 18–64.

Other income of SSI recipients, by source and age



SOURCE: Social Security Administration, Supplemental Security Record (Characteristic Record Extract format), 100 percent data.

All Beneficiaries, December 2005

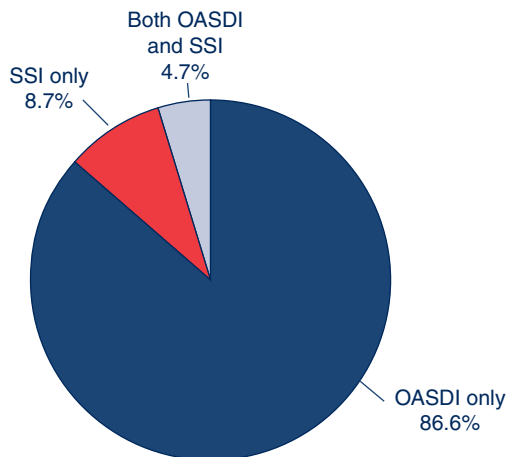
About 53 million people received a payment from Social Security. Most (45.9 million) received OASDI benefits only, about 4.6 million received SSI only, and 2.5 million received payments from both programs.

Beneficiaries receiving OASDI, SSI, or both, December 2005

Benefit	Number (thousands)
Total (unduplicated)	53,048
OASDI	48,434
OASDI only	45,934
SSI	7,114
SSI only	4,613
Both OASDI and SSI	2,501

NOTE: SSI includes federal SSI payments and federally administered state supplementation.

Distribution of all beneficiaries



SOURCE: Social Security Administration, Master Beneficiary Record, 10 percent sample; Supplemental Security Record (Characteristic Record Extract format), 100 percent data.

Beneficiaries Aged 65 or Older, December 2005

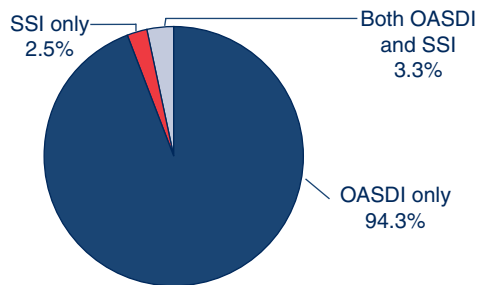
Benefits were paid to 34.9 million people aged 65 or older. About 1.1 million received both OASDI and SSI.

Beneficiary	Number (thousands)
Total (unduplicated)	34,881
OASDI, total	34,026
Retired workers	27,651
Disabled workers	133
Spouses	2,258
Nondisabled widow(er)s	3,914 ^a
Disabled adult children	70
SSI, total	1,995 ^b
Receiving SSI only	855
Receiving both OASDI and SSI	1,140

NOTE: SSI includes federal SSI payments and federally administered state supplementation.

- a. Includes 3,300 persons who received dependent parents' benefits, special age-72 benefits, or mother's and father's benefits.
- b. Includes 780,200 SSI beneficiaries aged 65 or older who are disabled or blind.

Distribution of beneficiaries aged 65 or older, by program



SOURCE: Social Security Administration, Master Beneficiary Record, 10 percent sample; Supplemental Security Record (Characteristic Record Extract format), 100 percent data.

NOTE: Percentages may not add to 100 because of rounding.

Disabled Beneficiaries Aged 18–64, December 2005

Payments were made to 10.1 million people aged 18–64 on the basis of their own disability. Fifty-nine percent received disability payments from the OASDI program only, 28% received payments from the SSI program only, and 13% received payments from both programs.

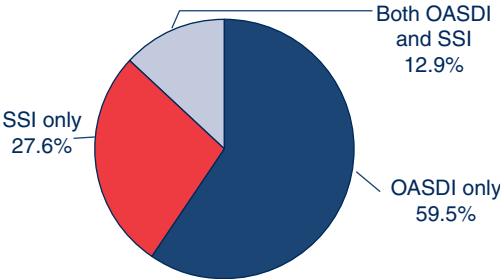
Disabled beneficiaries aged 18–64 receiving OASDI, SSI, or both, December 2005

Beneficiary	Number (thousands)
Total (unduplicated)	10,080
OASDI disability, total	7,294 ^a
Workers aged 64 or younger	6,378
Disabled adult children	704
Widow(er)s	212
SSI disability, total	4,083
Receiving SSI disability only	2,786
Receiving both OASDI and SSI disability	1,297

NOTE: SSI includes federal SSI payments and federally administered state supplementation.

a. Includes 5,997,000 beneficiaries receiving OASDI disability only.

Distribution of disabled beneficiaries aged 18–64

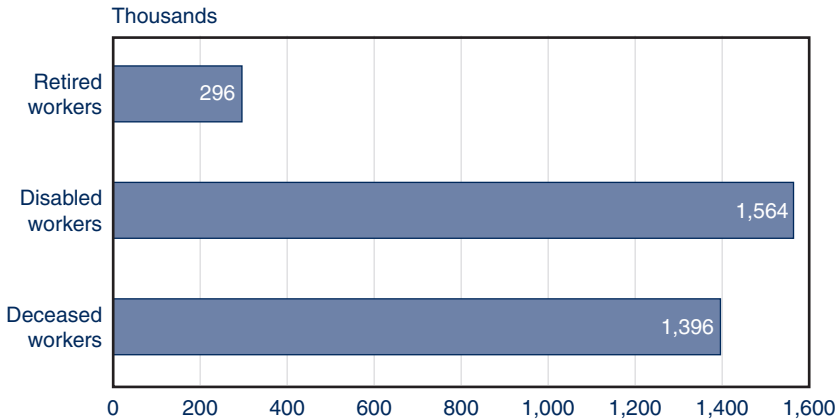


SOURCE: Social Security Administration, Master Beneficiary Record, 10 percent sample; Supplemental Security Record (Characteristic Record Extract format), 100 percent data.

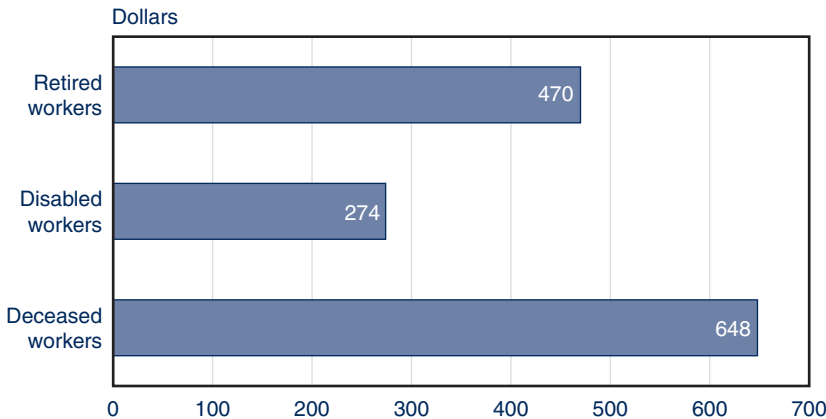
OASDI Beneficiaries, December 2005

More than 3.2 million children under age 18 and students aged 18–19 received OASDI benefits. Children of deceased workers had the highest average payments, in part because they are eligible to receive monthly benefits based on 75% of the worker’s PIA, compared with 50% for children of retired or disabled workers. Overall, the average monthly benefit amount for children was \$452.

Number of children of—



Average monthly benefit for children of—

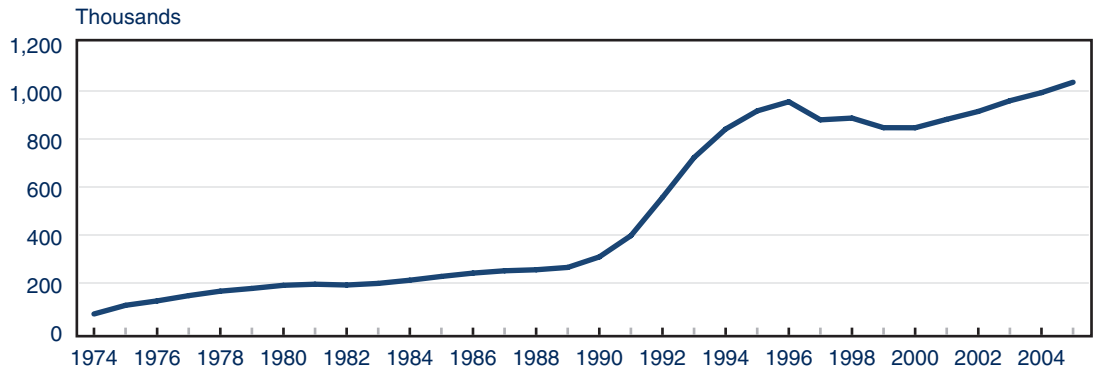


SOURCE: Social Security Administration, Master Beneficiary Record, 100 percent data.

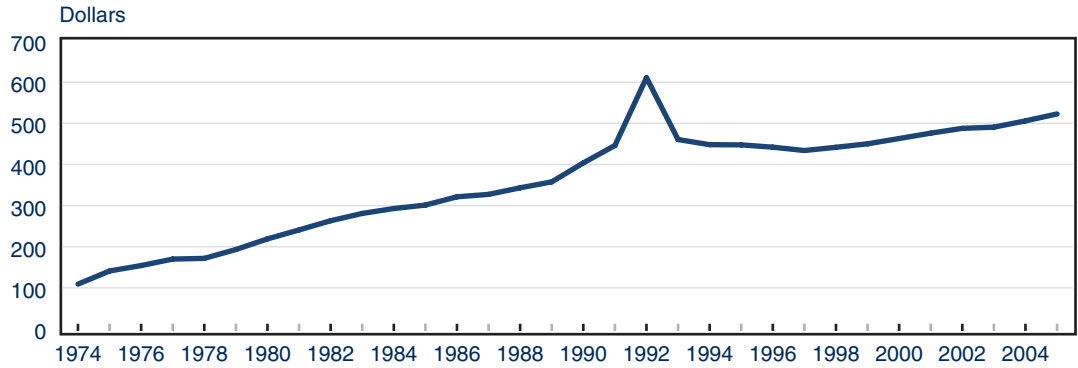
SSI Recipients, 1974–2005

In 1974, when the program began, 70,900 blind and disabled children were receiving SSI. That number increased to 955,000 in 1996, declined to 847,000 in 2000, and is now 1,036,500. The relatively high average payment to children (compared with payments made to blind and disabled adults) is due in part to a limited amount of other countable income. The spike in average monthly benefits in 1992 is due to retroactive payments resulting from the *Sullivan v. Zebley* decision. As of December 2005, blind and disabled children were receiving SSI payments averaging \$523.

Number of children under age 18 receiving SSI



Average monthly SSI payment to children ^a



SOURCE: Social Security Administration, Supplemental Security Record (Characteristic Record Extract format), 100 percent data.

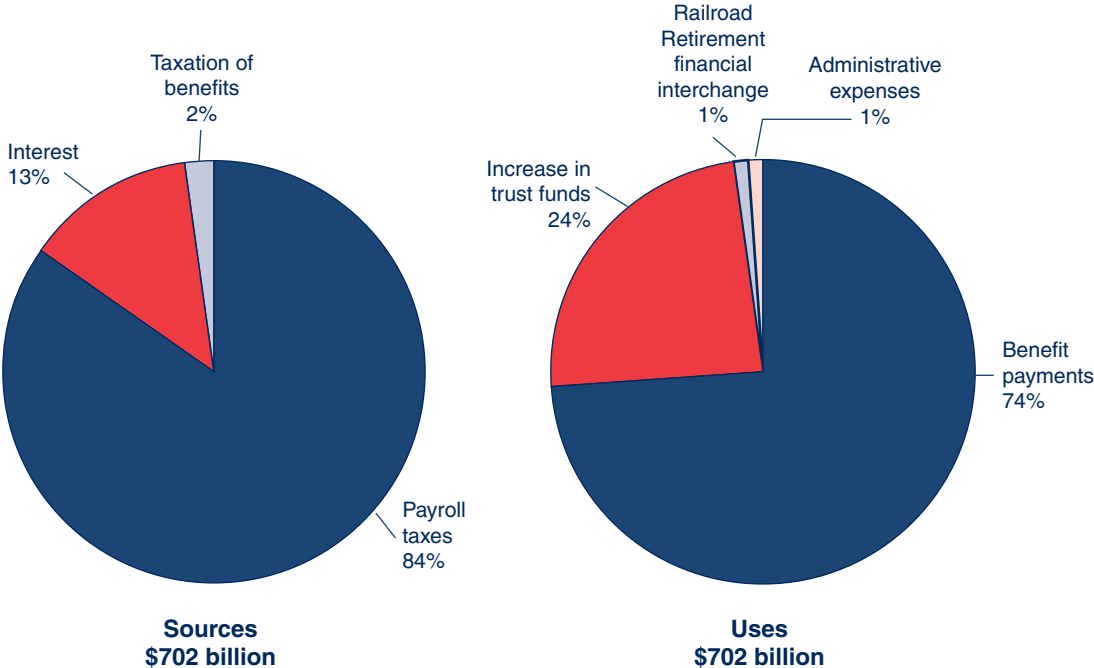
NOTE: Beginning in 2006, this chart displays data for all years rather than selected years.

a. As of 1998, these figures exclude retroactive payments.

How Social Security Is Financed

Social Security is largely a pay-as-you-go program. Most of the payroll taxes collected from today’s workers are used to pay benefits to today’s recipients. In 2005, the Old-Age and Survivors Insurance and Disability Insurance Trust Funds collected \$702 billion in revenues. Of that amount, 84% was derived from payroll taxes and 2% from income taxes on Social Security benefits. Interest earned on the government bonds held by the trust funds provided the remaining 13% of income. Assets increased in 2005 because income exceeded expenditures for benefit payments and administrative expenses.

Source and uses of Social Security revenues in 2005



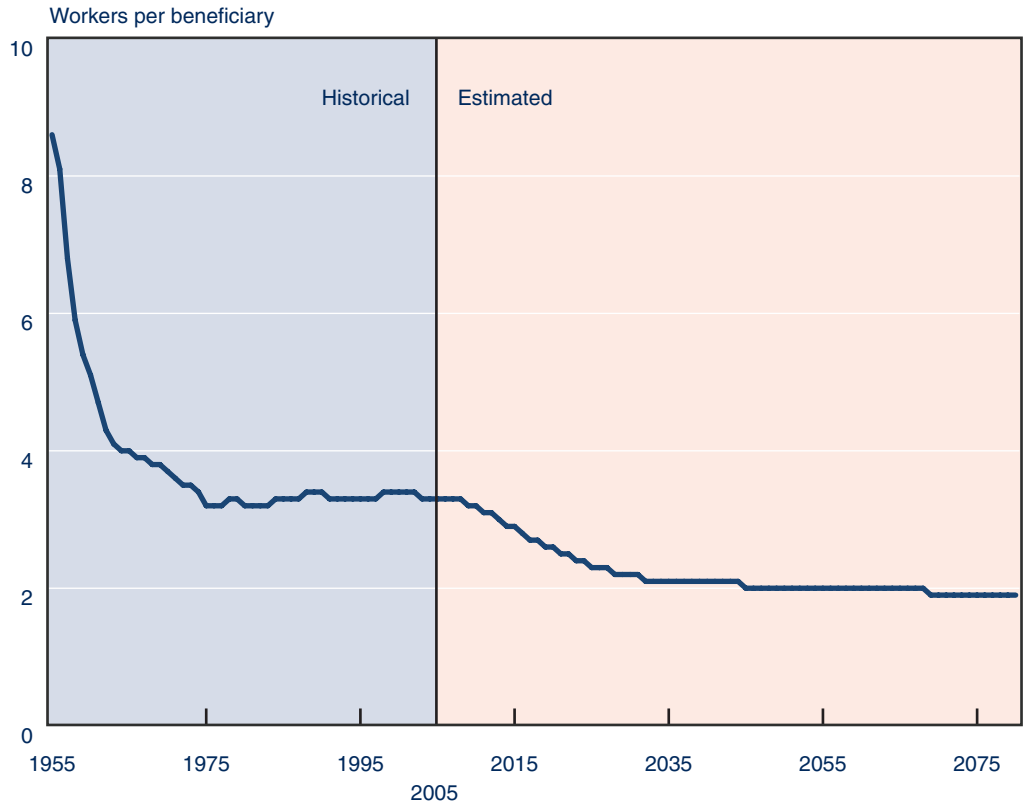
SOURCES: 2006 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds, Table II.B1.

NOTE: Percentages may not add to 100 because of rounding.

Social Security's Demographic Challenge

The number of retired workers is projected to grow rapidly starting in 2008, when the members of the post-World War II baby boom begin to reach early retirement age, and will double in less than 30 years. People are also living longer, and the birth rate is low. As a result, the ratio of workers paying Social Security taxes to people collecting benefits will fall from 3.3 to 1 in 2005 to 2.1 to 1 by 2032. The Trustees Report projects that in 2017, when the ratio will be 2.7, there will not be enough workers to pay scheduled benefits at current tax rates. The Trustees Report also projects that redemption of trust fund assets will be sufficient to allow for full payment of scheduled benefits until 2040.

Ratio of covered workers to Social Security beneficiaries

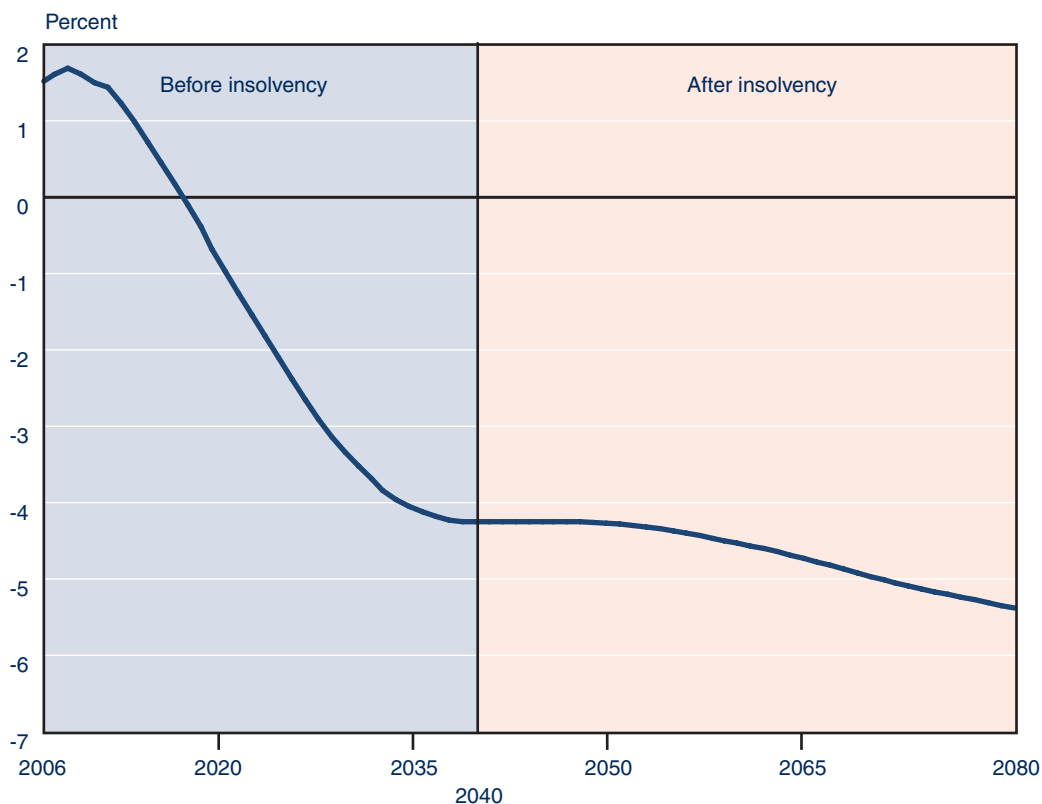


SOURCE: 2006 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds, Table IV.B2.

The Long-Run Financial Outlook

Social Security is not sustainable over the long term at current benefit and tax rates. Within 11 years the program will begin paying more in benefits than it collects in taxes (see the chart below). By 2040 the trust funds will be exhausted. At that point, payroll taxes and other income will flow into the fund but will be sufficient to pay only 74% of program costs. Another way to illustrate the financial shortfall of the Social Security system is to examine the cumulative value of taxes minus costs, assuming currently scheduled benefits and tax rates. In present-value terms, the shortfall over the next 75 years is \$4.6 trillion, which is roughly equal to the total U.S. government debt held by the public today.

Social Security income minus costs as a percentage of taxable payroll

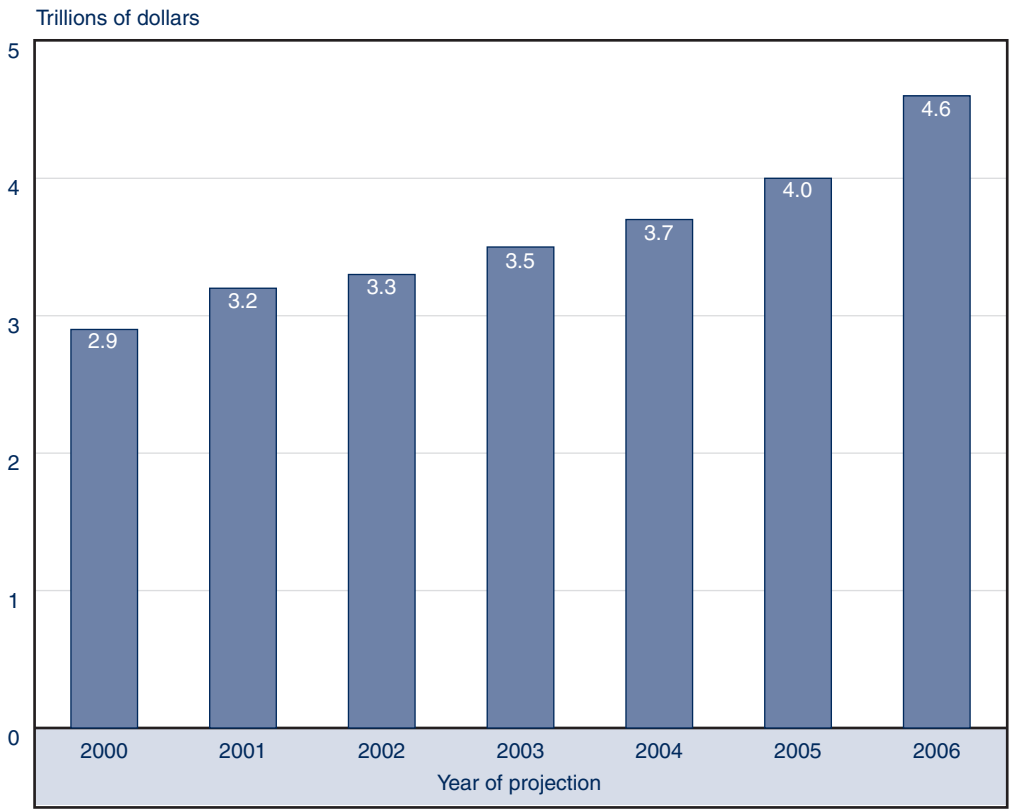


SOURCE: 2006 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds, Figure II.D6.

The Growth of Unfunded Obligations

Each year, Social Security’s trustees provide an estimate of the financial status of the program for the next 75 years. In changing from the valuation period of one year’s Trustees Report to the next, an additional year with a large imbalance between taxes and benefits is added to the projection. As a result, the estimated cost of meeting Social Security’s long-range financial shortfall tends to go up every year. For 2006, the unfunded obligation over the 75-year period is \$4.6 trillion.

Long-range (75-year) projections of Social Security’s unfunded obligation



SOURCE: Social Security Administration, Office of the Chief Actuary.
 NOTE: Present value as of January 1 of each year.