

Social Security Works for NEW YORK



Report prepared by Social Security Works and Strengthen Social Security

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The mission of Social Security Works is to protect and improve the economic status of disadvantaged and at-risk populations, and, in so doing, to promote social justice for current and future generations of children as well as young, middle-aged and older adults. Social Security Works is a project of the Tides Advocacy Fund with generous support from The Atlantic Philanthropies.

www.socialsecurity-works.org



The Strengthen Social Security Campaign is made up of more than 60 national organizations and many state organizations, representing more than 30 million Americans. The Campaign is united around core principles, which include that Social Security benefits should not be cut and, instead, should be increased for those who are most disadvantaged.

www.strengthensocialsecurity.org

The data presented in this report speak volumes about the importance of Social Security to families, communities and state and local economies. We hope the report is useful to you as you work to strengthen Social Security in this 75th anniversary year. Please contact the Social Security Works Communications Director, Alex Lawson, if you have questions about this report: alex.lawson@socialsecurity-works.org.

Nancy Altman and Eric Kingson
Co-Directors, Social Security Works

Social Security Works for New York

Debate rages in Washington about how to reduce our nation's growing federal deficit, and pundits and politicians alike propose cutting Social Security.

It doesn't seem to matter that Social Security has not caused the federal deficit, and the program has a \$2.5 trillion surplus today, which is projected to grow to \$4.2 trillion by 2025.¹ Nor does it seem to matter that the housing equity and retirement savings of many Americans collapsed during the nation's Great Recession. Cutting Social Security's protections – especially for middle-aged and young workers – will undermine Social Security as a financial foundation, and often a financial lifeline.

Social Security is paid for through dedicated taxes contributed by workers and their employers. That is why Social Security is a promise, a bond between generations that belongs to the people who have worked hard all their lives and to their families.

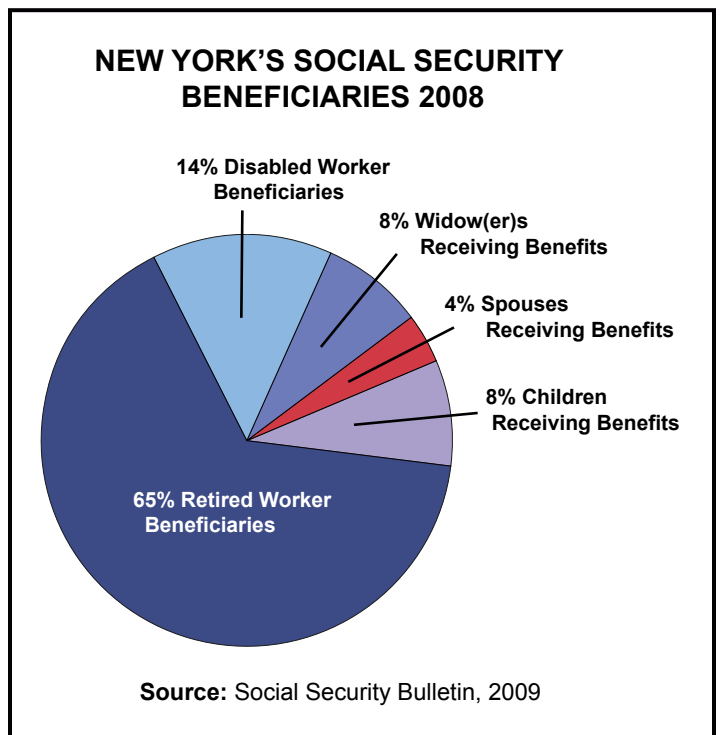
Social Security is family insurance protection against lost wages due to old age, disability, or death. The importance of Social Security's earned protections cannot be overstated:

- 53 million beneficiaries – around one in four households—receive Social Security.²
- 1 out of 3 Social Security beneficiaries is not a senior citizen.³
- Almost two out of three seniors rely on Social Security for half or more of their income.⁴
- The average Social Security benefit is less than \$13,000 a year (\$14,000 for retirees).⁵
- Social Security is the nation's largest disability

program, without which more than half of disabled workers would have incomes below the poverty line.⁶

- Nearly 9 percent of all U.S. children – about 6.5 million – receive Social Security or live in households where all or part of the income of the household comes from Social Security.⁷ Consequently, Social Security is the nation's largest and, despite its modest benefits, most generous children's program.

Clearly Social Security works for the nation and for the residents of every state and congressional district too. Social Security's average benefit is very modest, which is why America cannot afford to cut it. Instead, Congress should work hard to strengthen Social Security.





Social Security Works for New York's Economy

- Social Security provides benefits to more than 3,143,600 people, nearly 1 out of 6 residents (16.1 percent).⁸
- Social Security lifts out of poverty a total of 1,108,000 New York residents.⁹
- New York residents receive Social Security benefits totaling over \$42 billion per year, an amount equivalent to about 4 percent of the state's annual GDP (the total value of all goods and services produced).¹⁰

Social Security Works for New York's Retired Workers

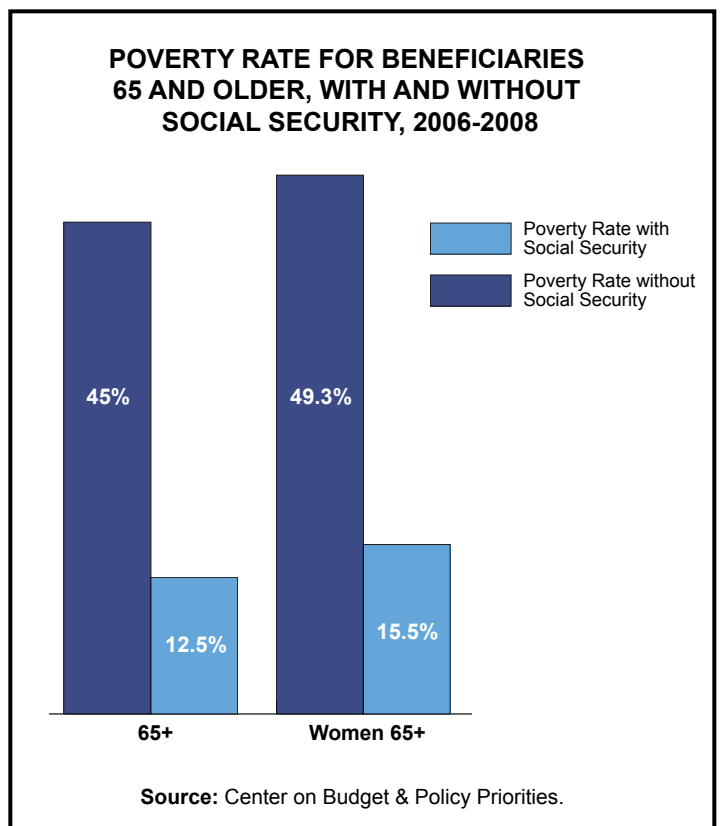
- Social Security provides benefits to nearly 2,045,700 retired workers, 1 out of 10 residents (10.5 percent) and about two thirds of beneficiaries (65.1 percent).¹¹
- The median benefit received by a retired worker in New York is about \$14,700 annually.¹²
- Social Security lifts out of poverty 813,000 New York residents aged 65 and older. Without Social Security, the elderly poverty rate would increase from about 1 out of 8 (12.5 percent) to more than 4 out of 10 (45 percent) residents.¹³

Social Security Works for New York Women

- Social Security provides benefits to about 1,651,400 residents, 1 out of every 6 women (16.5 percent).¹⁴
- Social Security provides benefits to nearly 138,800 spouses, most of whom are women.¹⁵
- Women make up 58.4 percent of beneficiaries aged 65 and older in New York.¹⁶
- Social Security lifts out of poverty 493,000 women aged 65 and older. Without Social Security, the poverty rate of elderly women would increase from nearly 1 out of 6 (15.5 percent) to about half (49.3 percent) of all residents.¹⁷

Social Security Works for New York Workers with Disabilities¹⁸

- Social Security provides disability benefits for more than 453,300 workers, nearly 1 out of 7 (14.4 percent) of all beneficiaries.¹⁹
- The median benefit received by a disabled worker in New York is about \$12,200 annually.²⁰



Social Security Works for New York Widow(er)s

- Social Security provides survivors' benefits to more than 252,800 New York widow(er)s, 8 percent of all beneficiaries.²¹
- The median benefit received by a widow(er) in New York is about \$13,900 annually.²²

Social Security Works for New York Children²³

- Social Security is the major life and disability insurance protection for more than 95 percent of New York's 4,408,800 children.²⁴
- Social Security provides benefits to more than 253,000 children, 8 percent of all beneficiaries.²⁵
- Social Security is the most important source of income for the more than 409,000 children living in New York's grandfamilies, which are households headed by a grandparent or other relative.²⁶

Social Security Works for New York Latinos

- In New York, 1 out of 6 (16.7 percent) residents are Latino, more than 3,248,500 million residents.²⁷
- Nationwide, Social Security provides three-quarters (75.4 percent) of the total income of Latino households with beneficiaries aged 65 and older, on average. Social Security is 100 percent of the income for more than 4 out of 10 (44.2 percent) of these Latino elderly households.
- Without Social Security, the elderly Latino poverty rate in New York would increase from roughly 1 out of 6 (17.9 percent) to half (50.7 percent) of all residents.²⁸
- Studies estimate that Latinos receive a rate of return on their Social Security contributions that is 35 to 60 percent higher than the overall population, more than any other group. That's because they tend to have lower lifetime income, longer life expectancies, higher incidence of disability and larger families.²⁹
- Social Security has a higher income replacement rate for lower-income earners. The median earn-

ings of working-age Latinos were about \$30,000, compared to \$40,000 for all working age people. Social Security provides average benefits of about \$12,200 and \$9,500 annually for Latinos and Latinas aged 65 and older, respectively.³⁰

Social Security Works for New York African Americans

- In New York, Social Security provides benefits to more than 384,700 African Americans, 1 out of 8 (12.4 percent) of all African American residents.³¹
- Nationwide, Social Security provides nearly three-quarters (72.4 percent) of the income of African American households with beneficiaries aged 65 and older, on average. Social Security is 100 percent of the total income for 4 out of 10 (39.5 percent) of these African American elderly households.³²
- Nationwide, 3 out of 10 (31.2 percent) of all African American beneficiaries receive disability benefits; for white beneficiaries it is about half of that number (15.2 percent).³³

Social Security Works for New York's Working Families

- Through their hard work and payroll tax contributions, nearly all New York workers earn Social Security's retirement, disability and survivorship protections for themselves and their families.
- Social Security is the most valuable disability and life insurance protection for most New York workers. Nationwide, an estimated 3 out of 10 working-aged men and 1 out of 4 working-aged women will become severely disabled before reaching retirement age. An estimated 1 out of 11 working-aged men and 1 out of 17 working-aged women will die before reaching retirement age.³⁴
- A 30-year-old worker who earns about \$30,000 and who has a spouse and two young children, receives Social Security insurance protection equivalent to private disability and life insurance policies worth \$465,000 and \$476,000, respectively.³⁵

Social Security Works for New York's Congressional Districts

CONGRESSIONAL DISTRICTS										
	State Total	1	2	3	4	5	6	7	8	9
Total annual benefits (\$ in millions)*	\$41,954M	\$1,829M	\$1,629M	\$1,808M	\$1,626M	\$1,387M	\$968M	\$1,136M	\$1,222M	\$1,375M
Number of residents in state/ congressional district	19,490,297	702,505	695,178	659,346	667,174	657,017	678,294	687,102	711,638	682,046
Number of residents receiving Social Security benefits	3,143,642	126,351	112,164	120,625	110,176	97,606	78,132	91,010	90,071	100,515
Percent of residents receiving Social Security benefits	16.1%	18.0%	16.1%	18.3%	16.5%	14.9%	11.5%	13.2%	12.7%	14.7%
Social Security beneficiaries										
<i>Women beneficiaries</i>	1,651,364	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<i>Retired worker beneficiaries</i>	2,045,688	82,467	73,875	81,149	75,482	72,297	50,402	59,053	62,695	69,793
<i>Disabled worker beneficiaries</i>	453,325	17,753	14,651	14,135	12,730	7,671	11,618	13,552	11,032	11,501
<i>Widow(er)s receiving benefits</i>	252,839	10,439	8,874	10,722	9,336	7,766	5,295	6,988	6,330	8,585
<i>Spouses receiving benefits</i>	138,775	5,335	4,961	5,854	5,139	5,973	3,188	4,281	3,845	5,339
<i>Children receiving benefits</i>	253,015	10,357	9,803	8,765	7,489	3,899	7,629	7,136	6,169	5,297

"Selected Demographic Characteristics in the United States, 2006-2008: New York," in *American Community Survey*, (Washington: US Census Bureau, December 2008). "New York" in *Congressional Statistics, December 2008*, (Baltimore: Social Security Administration, December 2009).

*The annual benefits for the Congressional districts were calculated by taking the monthly benefits and multiplying by 12. The state annual benefits number is the sum of the congressional district numbers.

Sources and Explanatory Note

Social Security Works for New York's Congressional Districts

CONGRESSIONAL DISTRICTS

	State Total	10	11	12	13	14	15	16	17	18	19
Total annual benefits (\$ in millions)*	\$41,954M	\$877M	\$816M	\$736M	\$1,474M	\$1,500M	\$1,019M	\$642M	\$1,344M	\$1,715M	\$1,620M
Number of residents in state/congressional district	19,490,297	686,967	658,662	685,953	702,875	647,121	672,814	666,597	674,601	673,753	707,156
Number of residents receiving Social Security benefits	3,143,642	76,495	68,202	72,444	108,556	94,889	87,738	67,012	96,875	111,007	111,045
Percent of residents receiving Social Security benefits	16.1%	11.1%	10.4%	10.6%	15.4%	14.1%	13.2%	10.1%	14.4%	16.5%	15.7%
Social Security beneficiaries											
<i>Women beneficiaries</i>	1,651,364	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<i>Retired worker beneficiaries</i>	2,045,688	45,240	44,316	43,764	66,203	72,123	55,737	33,419	66,357	81,404	73,508
<i>Disabled worker beneficiaries</i>	453,325	13,623	10,740	12,186	17,433	8,232	15,480	15,400	12,543	10,093	14,510
<i>Widow(er)s receiving benefits</i>	252,839	5,805	4,290	6,110	9,704	6,720	6,186	5,383	6,807	8,169	8,512
<i>Spouses receiving benefits</i>	138,775	2,940	2,533	4,066	5,647	4,206	3,283	3,117	3,403	4,962	4,491
<i>Children receiving benefits</i>	253,015	8,887	6,323	6,318	9,569	3,608	7,052	9,693	7,765	6,379	10,024

Sources and Explanatory Note

"Selected Demographic Characteristics in the United States, 2006-2008: New York," in *American Community Survey*, (Washington: US Census Bureau, December 2008). "New York" in *Congressional Statistics, December 2008*, (Baltimore: Social Security Administration, December 2009).
 *The annual benefits for the Congressional districts were calculated by taking the monthly benefits and multiplying by 12. The state annual benefits number is the sum of the congressional district numbers.

Social Security Works for New York's Congressional Districts

CONGRESSIONAL DISTRICTS

	State Total	20	21	22	23	24	25	26	27	28	29
Total annual benefits (\$ in millions)*	\$41,954M	\$1,849M	\$1,680M	\$1,639M	\$1,610M	\$1,726M	\$1,759M	\$1,843M	\$1,763M	\$1,539M	\$1,821M
Number of residents in state/congressional district	19,490,297	676,600	662,124	665,833	657,057	648,185	656,535	665,177	623,673	599,759	657,139
Number of residents receiving Social Security benefits	3,143,642	138,849	128,502	125,810	130,988	139,010	130,537	134,016	136,318	121,006	137,693
Percent of residents receiving Social Security benefits	16.1%	20.5%	19.4%	18.9%	19.9%	21.4%	19.9%	20.1%	21.9%	20.2%	21.0%
Social Security beneficiaries											
<i>Women beneficiaries</i>	1,651,364	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<i>Retired worker beneficiaries</i>	2,045,688	91,365	83,711	78,681	76,822	87,698	85,394	88,881	83,853	69,578	90,421
<i>Disabled worker beneficiaries</i>	453,325	19,469	19,236	21,035	23,446	22,146	19,076	17,744	21,393	24,563	20,334
<i>Widow(er)s receiving benefits</i>	252,839	11,111	10,461	9,948	12,099	10,854	9,901	11,843	13,447	10,247	10,907
<i>Spouses receiving benefits</i>	138,775	5,956	4,650	5,009	6,827	5,488	5,253	6,350	6,299	4,421	5,959
<i>Children receiving benefits</i>	253,015	10,948	10,444	11,137	11,794	12,824	10,913	9,198	11,326	12,197	10,072

Sources and Explanatory Note

"Selected Demographic Characteristics in the United States, 2006-2008: New York," in *American Community Survey*, (Washington: US Census Bureau, December 2008). "New York" in *Congressional Statistics, December 2008*, (Baltimore: Social Security Administration, December 2009). *The annual benefits for the Congressional districts were calculated by taking the monthly benefits and multiplying by 12. The state annual benefits number is the sum of the congressional district numbers.

Endnotes

Note: Data cited below is the most recent available as of July, 2010.

- ¹ Social Security Trustees. "Table IV.A3" and "Table VI.F8" in *The 2009 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds*, (Baltimore: Social Security Administration, 2010).
- ² "Table 2. Social Security Benefits, June 2010" in *Monthly Statistical Snapshot, June, 2010*, (Baltimore: Social Security Administration, 2010) [hereinafter *Monthly Stat. Snapshot*, 2010]; and Reno, Virginia, "Briefing Paper #287: Building on Social Security's Success," (Washington: Economic Policy Institute, 2007).
- ³ *Monthly Stat. Snapshot*, 2010.
- ⁴ "Fast Facts and Figures About Social Security, 2009," (Baltimore: Social Security Administration, 2010).
- ⁵ *Monthly Stat. Snapshot*, 2010.
- ⁶ Van de Water, Paul N. "Income of Disabled Worker Beneficiaries," (Baltimore: Social Security Administration, 2001).
- ⁷ Lavery, Joni and Virginia P. Reno. "Children's Stake in Social Security, Social Security Brief No. 27," (Washington: National Academy of Social Insurance, 2008).
- ⁸ Number of total beneficiaries from "5.J OASDI Current-Pay Benefits: Geographic Data: Table 5.J2—Number, by state or other area, program and type of benefit, December 2008" in *Annual Statistical Supplement to the Social Security Bulletin, 2009*, (Baltimore: Social Security Administration, Feb. 2010) [hereinafter, *Ann. Stat. Supp.*, 2010]. Percentage of state population from "Table 1: Beneficiaries as a percentage of the total resident population and of the population aged 65 and older, by state, December 2008," in *OASDI Beneficiaries by State and County, 2008*, (Baltimore: Social Security Administration, Feb. 2010).
- ⁹ Sherman, Arloc. "Antipoverty Effects of Social Security by State, 2006-2008," Pre-publication; specially released for Social Security Works, courtesy of Arloc Sherman and Paul Van de Water, (Washington: Center on Budget and Policy Priorities, July 2010).
- ¹⁰ Total annual benefits calculated by taking the monthly benefits and multiplying by twelve. "Table 5.J4—Total monthly benefits, by state or other area, program, and type of benefit, December 2008 (in thousands of dollars)," *Ibid.* Percentage calculated using state Gross Domestic Product figures from "Economic Slowdown Widespread Among States in 2008: Advance 2008 and Revised 2005-2007 State-by-State GDP Statistics," in *Bureau of Economic Analysis News Release*, (Washington: United States Department of Commerce, June 2, 2009), [hereinafter state Gross Domestic Product figures].
- ¹¹ Number calculated using data from "Table 5.J2—Number, by state or other area, program and type of benefit, December 2008," in *Ann. Stat. Supp.*, 2010. Percentage calculated using population data from "Selected Demographic Characteristics in the United States, 2008: New York," in *American Community Survey*, (Washington: US Census Bureau, 2009) [hereinafter all percentages of state population use *American Community Survey* data].
- ¹² "Table 5.J6—Percentage distribution of monthly benefit for retired workers, by state or other area and monthly benefit, December 2008" in *Ann. Stat. Supp.*, 2010.
- ¹³ Sherman, *Ibid.*
- ¹⁴ "Table 5.J5.1—Number, by state or other area, race, and sex, December 2008," in *Ann. Stat. Supp.*, 2010.
- ¹⁵ "New York" in *Congressional Statistics, December 2008*, (Baltimore: Social Security Administration, December 2009).
- ¹⁶ "Table 5.J3—Number and total monthly benefits for beneficiaries aged 65 and older, by state or other area and sex, December 2008," in *Ann. Stat. Supp.*, 2010.
- ¹⁷ Sherman, *Ibid.*
- ¹⁸ The number of Social Security disability beneficiaries cited here includes only those disabled workers receiving disability benefits. It does not include those disabled workers and "disabled adult children" who are recipients of Retirement and Survivors benefits. Hereinafter, any use of the term "disabled worker" will refer only to those disabled workers receiving disability benefits.
- ¹⁹ "Table 5.J2," *Ibid.*
- ²⁰ "Table 5.J8—Percentage distribution of disabled workers, by state or other area and monthly benefit, December 2008" in *Ann. Stat. Supp.*, 2010.
- ²¹ "Table 5.J2," *Ibid.*
- ²² "Table 5.J9—Percentage distribution of nondisabled widow(er)s, by state or other area and monthly benefit, December 2008," in *Ann. Stat. Supp.*, 2010.
- ²³ Unless otherwise specified as children under 18 to the exclusion of all others, the term "children" used in this section is consistent with the Social Security Administration's use of the term to include three groups: "children under age 18;" "students aged 18-19," which refers to children ages 18 and 19 who are matriculated in an institution of secondary education; and "disabled adult children," which refers to those adults who have been disabled since before they reached age 18.
- ²⁴ The term "children," as it is used here, refers exclusively to children under age 18. Percentage data from "Survivors Benefits," (Baltimore: Social Security Administration, 2009).
- ²⁵ "Table 5.J10—Number of children, by state or other area and type of benefit, December 2008," in *Ann. Stat. Supp.*, 2010.
- ²⁶ Generations United. "New York Grandfacts," (Washington: Generations United, March 2008).
- ²⁷ *Am. Comm. Survey*, 2009.

- ²⁸ Importance of Social Security relative to total income from “Table 9.A3 Percentage distribution of beneficiary units, by race, Hispanic origin, and marital status, 2008,” in *Income of the Population 55 or Older, 2008*, (Baltimore: Social Security Administration, 2009). Poverty data from: “The Importance of Social Security to the Hispanic Community,” 2005.
- ²⁹ Torres-Gil, Fernando et al. “The Importance of Social Security to the Hispanic Community,” (Washington: Center on Budget and Policy Priorities, 2005).
- ³⁰ “Social Security is Important to Hispanics,” 2010.
- ³¹ “5.J OASDI Current-Pay Benefits: Geographic Data: Table 5.J5.1—Number, by state or other area, race, and sex, December 2008,” in *Ann. Stat. Supp.*, 2010.
- ³² “Table 9.A3 Percentage distribution of beneficiary units, by race, Hispanic origin, and marital status, 2008,” in *Income of the Population 55 or Older, 2008*, (Baltimore: Social Security Administration, 2009).
- ³³ “Table 5.A1—Number and average monthly benefit, by type of benefit and race, December 2008,” in *Ann. Stat. Supp.*, 2010.
- ³⁴ Baldwin, Robert and Sharon Chu. “Actuarial Note 2005.6: A Death and Disability Life Table for Insured Workers Born in 1985,” (Baltimore: Social Security Administration, Feb. 2006). The term “retirement age” refers to the statutory “Retirement Age” at which workers become eligible for full retirement benefits for Social Security.
- ³⁶ Nichols, Orlo R. “The Insurance Value and Potential Survivor and Disability Benefits for an Illustrative Worker.” Memo to Alice Wade, Deputy Chief Actuary. (Baltimore: Social Security Administration, Office of the Chief Actuary, August 2008).