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## About This Report

This biennial report presents detailed statistical information on the major sources and amounts of income for people aged 55 or older. The tabulations focus on the major sources of total income by age, sex, marital status, race, and Hispanic origin. Several tables describe the economic situation of the aged with varying levels of Social Security benefits. Their poverty status is presented in terms of the income of the families they live with.

### Source of Data

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Data for this series are from the March Current Population Survey (CPS) of the U.S. Census Bureau.<sup>1</sup> The CPS samples a large cross section of households in the United States each year (approximately 98,000 in March 2013). The March Supplement gathers detailed information on income and labor force participation of each person aged 15 or older in the sample households. For this series, the Social Security Administration (SSA) creates a subsample of persons 55 or older arranged in aged units. A separate data record is made for each married couple living together—at least one of whom is 55 or older—and for each nonmarried person 55 or older. Married persons living apart are classified as nonmarried persons.

From time to time, changes have been made in the survey. Although the changes have improved the measurement of income and labor force participation, they have reduced the

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<sup>1</sup> For a detailed description of the basic CPS sample design, see U.S. Census Bureau, *Current Population Survey: Design and Methodology*, Technical Paper No. 63RV (Washington, DC: Government Printing Office, March 2002).

comparability of estimates made in different years.<sup>2</sup>

A recent paper by Miller and Schieber (2014) called into question the adequacy of retirement income measures in the CPS.<sup>3</sup> Specifically, the authors state that the CPS undercounts retirement income from various sources including, defined contribution plans and traditional pensions. Their analysis compares CPS estimates with more precise estimates obtained from federal tax records. Much of the undercounting the paper describes is due to the Census Bureau only including “regular payments” from retirement, survivor, and disability income in its definition of total money income. Most people do not choose to annuitize their pension accounts and instead make withdrawals from their pension accounts on their own. These withdrawals are not part of total money income, and data are not collected on withdrawals from pension accounts in the March Supplement to the Current Population Survey.<sup>4</sup> Underreporting of

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<sup>2</sup> These changes are discussed in some detail in U.S. Census Bureau, *Current Population Reports*, Series P60, various years.

<sup>3</sup> Billie Jean Miller, and Sylvester J. Scheiber. 2014. Contribution of Pension and Retirement Savings to Retirement Income Security: More Than Meets the Eye. *The Journal of Retirement* 1(3): 14–29.

<sup>4</sup> A paper by Marc Roemer assessing the quality of income data in the March Current Population Survey and Survey of Income and Program Participation provides further insight into what pensions are and are not counted as money income. See “Assessing the Quality of the March Current Population Survey and the Survey of Income and Program Participation Income Estimates, 1990–1996,” unpublished, but available at <http://www.census.gov/hhes/www/income/publications/assess1.pdf>.

income in the CPS has been documented in previous issues of this publication and written about in more detail by Anguelov, Iams, and Purcell (2012) and Czajka and Denmead (2012) among others.<sup>5</sup> SSA is investigating alternative data sources to address the issue in future editions. Nevertheless, CPS data is currently the best option for timely, detailed information about the income sources and demographics of the population aged 55 or older. Users of this publication are encouraged to consult the text in the Glossary, Frequently Asked Questions, and Technical Appendix sections. These sections provide detail about the CPS and how income is measured in this publication.

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<sup>5</sup> Anguelov, Chris E., Howard M. Iams, and Patrick J. Purcell. 2012. “Shifting Income Sources of the Aged.” *Social Security Bulletin* 72(3): 59–68.

Czajka, John L. and Gabrielle Denmead. 2012. Getting More from Survey Income Measures: Empirically Based Recommendations for Improving Accuracy and Efficiency. Available at [http://www.fcs.gov/12papers/Czajka\\_2012FCM\\_III-D.pdf](http://www.fcs.gov/12papers/Czajka_2012FCM_III-D.pdf).