Social Security Works for
NORTH DAKOTA

Acknowledgements

SOCIAL SECURITY WORKS.

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

STRENGTHEN SOCIAL SECURITY

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 North Dakota

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 $2.6 trillion surplus today, which is projected to grow to $4.3 trillion by 2023.[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.
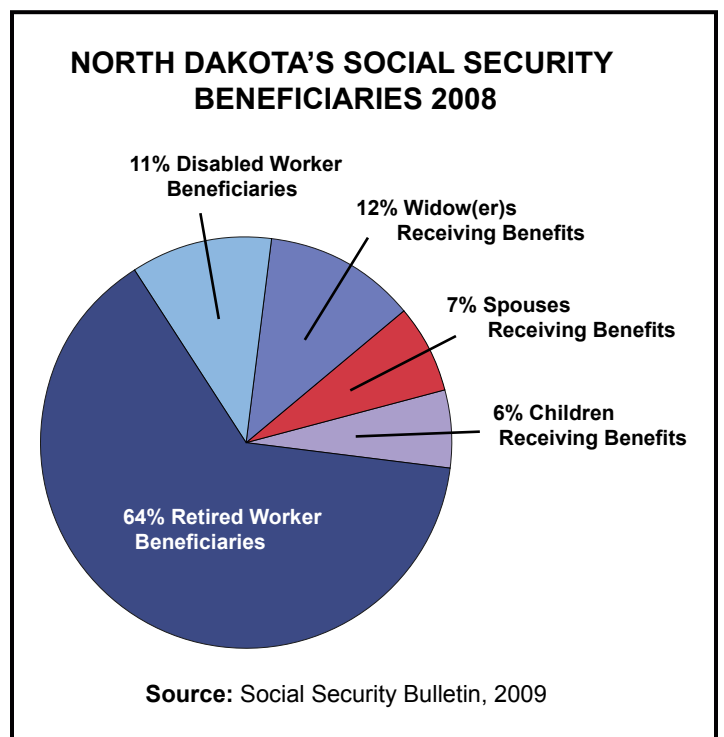
Social Security is family insurance protection against lost wages due to old age, disability, or death. The importance of Social Security's earned protections cannot be overstated:

- 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.

NORTH DAKOTA'S SOCIAL SECURITY BENEFICIARIES 2008

- 11% Disabled Worker Beneficiaries
- 12% Widow(er)s Receiving Benefits
- 7% Spouses Receiving Benefits
- 6% Children Receiving Benefits
- 64% Retired Worker Beneficiaries

Source: Social Security Bulletin, 2009

Social Security Works for North Dakota Women

- Social Security provides benefits to about 61,700 residents, 1 out of every 5 women (19.4 percent).[14]
- Social Security provides benefits to 8,100 spouses, most of whom are women.[15]
- Women make up 57.1 percent of beneficiaries aged 65 or older in North Dakota.[16]
- Social Security lifts out of poverty 19,000 North Dakota women aged 65 and older. Without Social Security, the poverty rate of North Dakota women aged 65 or older would increase from about 1 out of 6 (9 percent) to more than half (51.6 percent) of those residents.[17]

Social Security Works for North Dakota Workers with Disabilities[18]

- Social Security provides disability benefits for about 12,500 workers, 1 out of 10 (10.7 percent) of all beneficiaries.[19]
- The median benefit received by a disabled worker in North Dakota is about $10,900 annually.[20]

Social Security Works for North Dakota's Economy

- Social Security provides benefits to more than 117,100 people, nearly 1 out of 5 residents (18.3 percent).[8]
- Social Security lifts out of poverty a total of 36,000 North Dakota residents.[9]
- North Dakota residents receive Social Security benefits totaling over $1.4 billion per year, an amount equivalent to 4.5 percent of the state's annual GDP (the total value of all goods and services produced).[10]

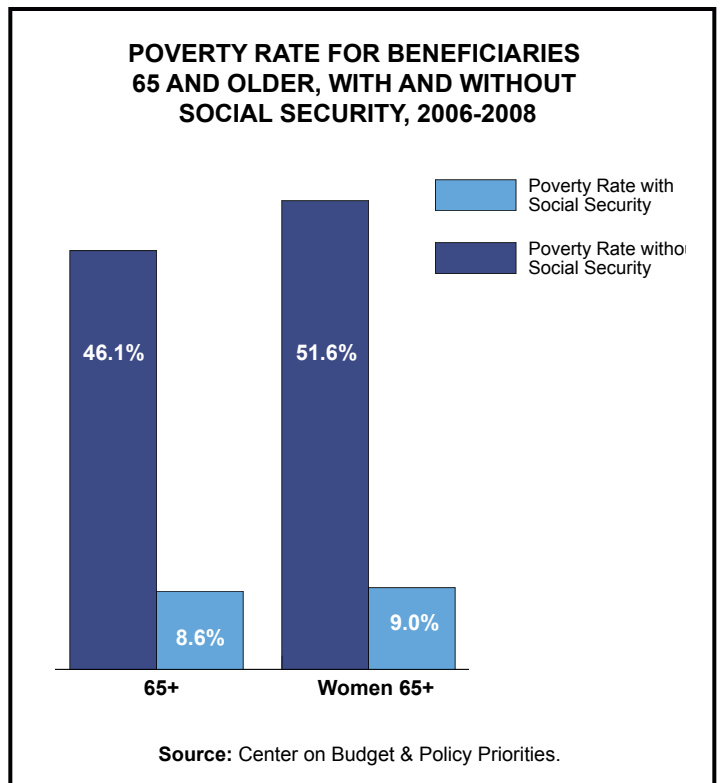## Social Security Works for North Dakota's Retired Workers

- Social Security provides benefits to more than 75,200 retired workers, 1 out of 9 residents (11.7 percent) and nearly two thirds (64.2 percent) of all beneficiaries.[11]
- The median benefit received by a retired worker in North Dakota is about $12,700 annually.[12]
- Social Security lifts out of poverty 29,000 North Dakota residents aged 65 and older. Without Social Security, the elderly poverty rate would increase from about 1 out of 12 (8.6 percent) to nearly half (46.1 percent) of those residents.[13]

POVERTY RATE FOR BENEFICIARIES 65 AND OLDER, WITH AND WITHOUT SOCIAL SECURITY, 2006-2008

Poverty Rate with Social Security
Poverty Rate without Social Security

	65+	Women 65+
Poverty Rate without Social Security	46.1%	51.6%
Poverty Rate with Social Security	8.6%	9.0%

Source: Center on Budget & Policy Priorities.

Social Security Works for North Dakota Widow(er)s

- Social Security provides survivors' benefits to more than 13,800 North Dakota widow(er)s, 1 out of 9 (11.8 percent) of all beneficiaries.[21]
- The median benefit received by a widow(er) in North Dakota is about $12,600 annually.[22]

Social Security Works for North Dakota Children[23]

- Social Security is the major life and disability insurance protection for more than 95 percent of North Dakota's 141,400 children.[24]
- Social Security provides benefits to more than 7,400 children, 6.4 percent of all beneficiaries.[25]
- Social Security is the most important source of income for the nearly 5,000 children living in North Dakota's grandfamilies, which are households headed by a grandparent or other relative.[26]

Social Security Works for North Dakota Native Americans

- In North Dakota, Social Security provides benefits to 1 out of 6 (16.5 percent) Native American households, more than 1,500 households.[27]
- Nationwide, Social Security Social Security provides 90 percent of the income for 20 percent of Native American married couples and for 49 percent of Native American unmarried residents aged 65 and older.[28]
- Social Security has a higher income replacement rate for lower income earners. The median earnings of working age Native Americans were about $30,800, compared to $40,000 for all working age people. Social Security provides average benefits of about $13,900 and $10,500 annually for Native American men and women aged 65 and older, respectively.[29]

Social Security Works for North Dakota's Working Families

- Through their hard work and payroll tax contributions, nearly all North Dakota 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 North Dakota workers. 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.[30]
- 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.[31]

Social Security Works for North Dakota's Congressional Districts

	CONGRESSIONAL DISTRICTS	
	Total	**1**
Total annual benefits ($ in millions)*	**$1,394M**	$1,394M
Number of residents in state/congressional district	**641,481**	641,481
Number of residents receiving Social Security benefits	**117,130**	117,130
Percent of residents receiving Social Security benefits	**18.3%**	18.3%
Social Security beneficiaries		
Women beneficiaries	**61,705**	61,705
Retired worker beneficiaries	**75,205**	75,205
Disabled worker beneficiaries	**12,540**	12,540
Widow(er)s receiving benefits	**13,838**	13,838
Spouses receiving benefits	**8,098**	8,098
Children receiving benefits	**7,449**	7,449

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 for 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 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 or 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: North Dakota," 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] "North Dakota" in Congressional Statistics for December 2008, (Baltimore: Social Security Administration, December 2009).

[16] "Table 5.J3—Number and total monthly benefits for beneficiaries aged 65 or 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. "North Dakota Grandfacts," (Washington: Generations United, March 2008).

[27] The term "households" as it is used here refers to households reporting income in the past 12 months. "North Dakota: Selected Population Profile," in *American Community Survey*, 2006 2008, (Washington: US Census Bureau, 2009).

[28] "Social Security is Important to Native Americans," (Baltimore: Social Security Administration, 2010).

[29] "Social Security is Important to Native Americans," Ibid.

[30] 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.

[31] 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).