



Social Security 2100: A Sacred Trust

Congressman John B. Larson

Improving Social Security is Important for People of Color

- **Social Security’s progressive benefit formula is particularly important for groups that tend to earn lower wages during their working lives**, including African Americans and Latinos. For example, in 2020, average earnings were about \$41,000 for African Americans and \$38,000 for Hispanics, compared to \$55,000 for whites.¹ The progressive formula means benefits replace a higher share of pre-retirement earnings for low-wage workers.
- **People of color are also less likely to work for employers who offer pensions**, and less likely to receive pension benefits in retirement. In 2014, 30% of African American seniors, 19% of Latino seniors, and 25% of Asian American seniors received income from pensions or retirement benefits other than Social Security, compared to 47% of white seniors.²
- **As a result, reliance on Social Security is especially high for many seniors of color**. Among seniors who received Social Security benefits in 2014, 41% of Asian Americans, 45% of African Americans, and 52% of Latinos relied on it for 90 percent or more of their income, compared to 32% of whites.³
- **Social Security’s guaranteed benefits keep many seniors from all demographic groups out of poverty, but these protections are especially important for people of color**. Without Social Security, 51% of African American seniors and 47% of Latino seniors would have lived in poverty; with Social Security, those numbers dropped to 19% of African American seniors and 20% of Latino seniors according to U.S. Census Bureau’s March 2019 population survey.⁴
- **Social Security’s disability and survivor protections are especially important to workers of color**. African American workers have lower life expectancy and higher disability rates before age 65, so they and their families are more likely to receive Social Security disability and survivor benefits.⁵ Social Security provides benefits to workers who suffer a career-ending disability and to their families.
- By preserving and expanding benefits, **Social Security 2100: A Sacred Trust would increase retirement security for people of color** who have worked hard and depend upon Social Security in retirement.

¹ Census Bureau, “Table P-4. Race and Hispanic Origin of People (Both Sexes Combined) by Median and Mean Income: 1947 to 2020,” <https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-income-people.html>. See also: SSA, “Fact Sheet: Social Security Is Important to African Americans” (2021). www.ssa.gov/news/press/factsheets/africanamer-alt.pdf

² SSA, *Income of the Population 55 And Older, 2014* (2016), Table 2.A3. www.ssa.gov/policy/docs/statcomps/income_pop55/2014/index.html

³ SSA, *Income of the Population 55 And Older, 2014* (2016), Table 9.A3. Ibid.

⁴ CBPP, www.cbpp.org/research/social-security/social-security-lifts-more-americans-above-poverty-than-any-other-program.

⁵ NASI, www.nasi.org/learn/socialsecurity/people-of-color; and CBPP, www.cbpp.org/research/social-security/policy-basics-top-ten-facts-about-social-security.