



NATIONAL INSTITUTE ON
Retirement Security

Reliable Research. Sensible Solutions.

Inequality & Retirement

David Cay Johnston

Washington DC 3 March 15



DIVIDED

THE PERILS OF OUR GROWING INEQUALITY

EDITED BY

DAVID CAY JOHNSTON

Median Income 65+ by Gender

2009 data in 2015\$

Men

Women

\$27,680

\$16,568

Source: Cong. Joint Econ Cmte

Median Income 65+ by Gender

2009 data in 2015\$

Men

Women

\$27,680

\$16,568

\$11,111

67%

More

Source: Cong. Joint Econ Cmte

Male > Female Median Income in 2013\$ - Census Table P5

| | | |
|------|----------|------|
| 1960 | \$19,404 | 224% |
| 1970 | \$23,733 | 198% |
| 1980 | \$20,483 | 155% |
| 1990 | \$17,663 | 102% |
| | | |
| | | |
| | | |

Male > Female Median Income in 2013\$ - Census Table P5

| | | |
|-------------|-----------------|------------|
| 1960 | \$19,404 | 224% |
| 1970 | \$23,733 | 198% |
| 1980 | \$20,483 | 155% |
| 1990 | \$17,663 | 102% |
| 2000 | \$16,590 | 76% |
| 2010 | \$12,212 | 55% |
| 2013 | \$13,165 | 60% |

Male > Female Median Income in 2013\$ - Census Table P5

| | | |
|-------------|-----------------|------------|
| | | |
| 2000 | \$16,590 | 76% |
| 2010 | \$12,212 | 55% |
| 2013 | \$13,165 | 60% |

Male > Female Median Income in 2013\$ - Census Table P5

| | | |
|------|----------|-----|
| 2008 | \$13,301 | 59% |
| 2009 | \$12,193 | 54% |
| 2010 | \$12,212 | 55% |
| 2011 | \$12,308 | 56% |
| 2012 | \$12,564 | 58% |
| 2013 | \$13,165 | 60% |

EBRI Retirement Readiness Ratings

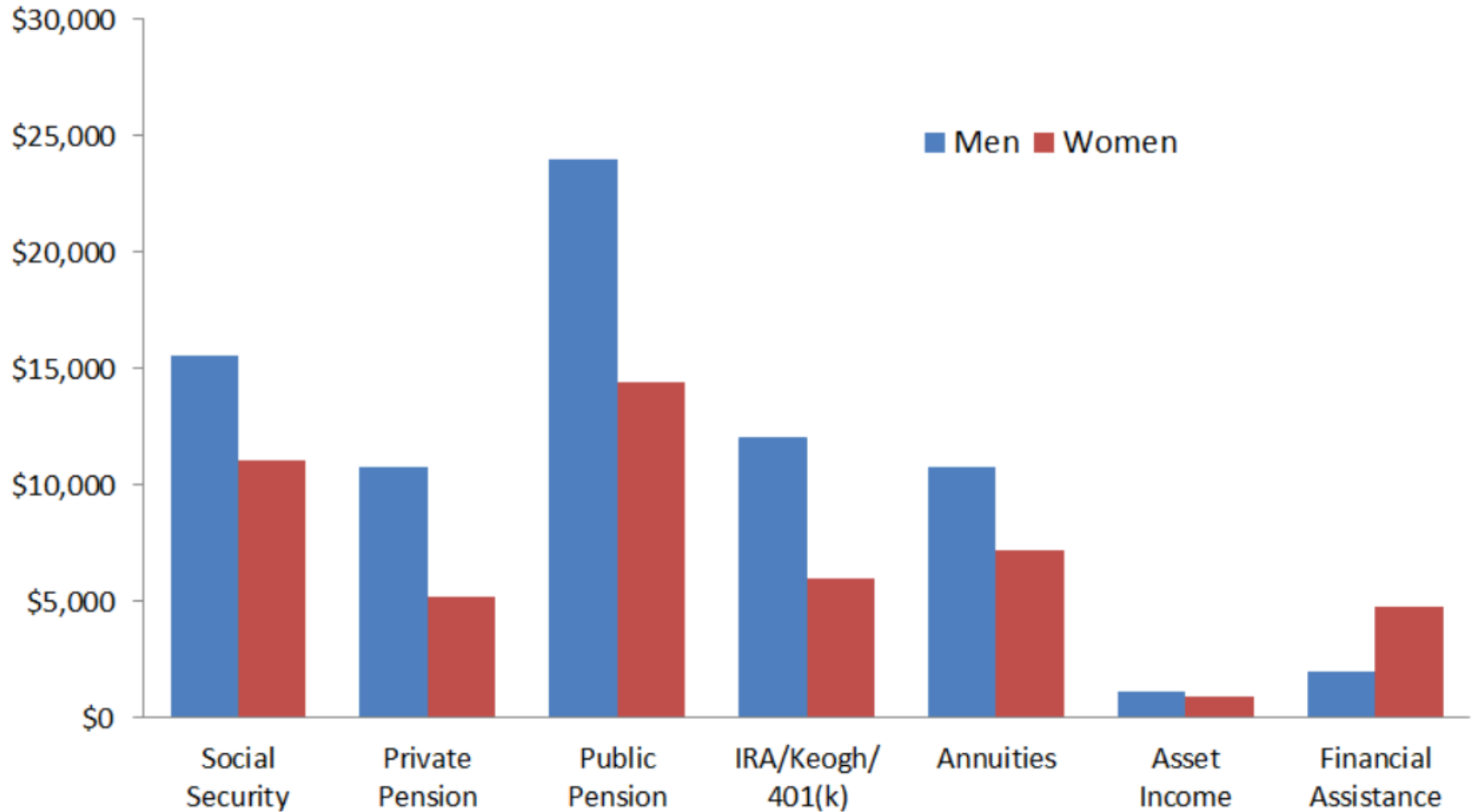
Early Boomers

- Married - @ (\$ 71,299)
- Men, Single (\$ 93,756)
- Women, Single (\$104,821)

Source: EBRI Bulletin 410

Median Retirement Income

Individuals 65 and Older, 2009



65+ Income Sources

Q1 Q2 Q3 Q4 Q5

\$12,554 < \$20,144 \$32,601 \$57,956 > \$57,956

| | | | | | |
|-------|-----|-----|-----|-----|-----|
| SS | 84% | 83% | 66% | 44% | 17% |
| Pens. | 3% | 7% | 16% | 26% | 19% |
| Work | 2% | 4% | 10% | 20% | 45% |

Is Enough Money
Going into Pensions?

1 Employer DB Plans @ Participant 2012\$

| Year | Assets | Paid In | Paid Out |
|--------|----------|----------------|----------|
| 1984 | \$53,391 | \$3,420 | \$3,532 |
| 2012 | \$76,015 | \$3,462 | \$5,385 |
| Change | 42% | 1% | 52% |

Source: DOL December 2014

Just What are Top Tax Burdens?

Taxpayers at 30%+ ETR

94,733

Less than 1 in 1,000

Just What are Top Tax Burdens?

| | |
|-----------------------|-------------|
| Taxpayers at 30%+ ETR | 94,733 |
| Share of Taxpayers | <1 in 1,000 |
| Average ETR | 33.3% |
| Max FICA Burden | 0.5% |
| Combined TAX | 33.8% |

Just What are Top Tax Burdens?

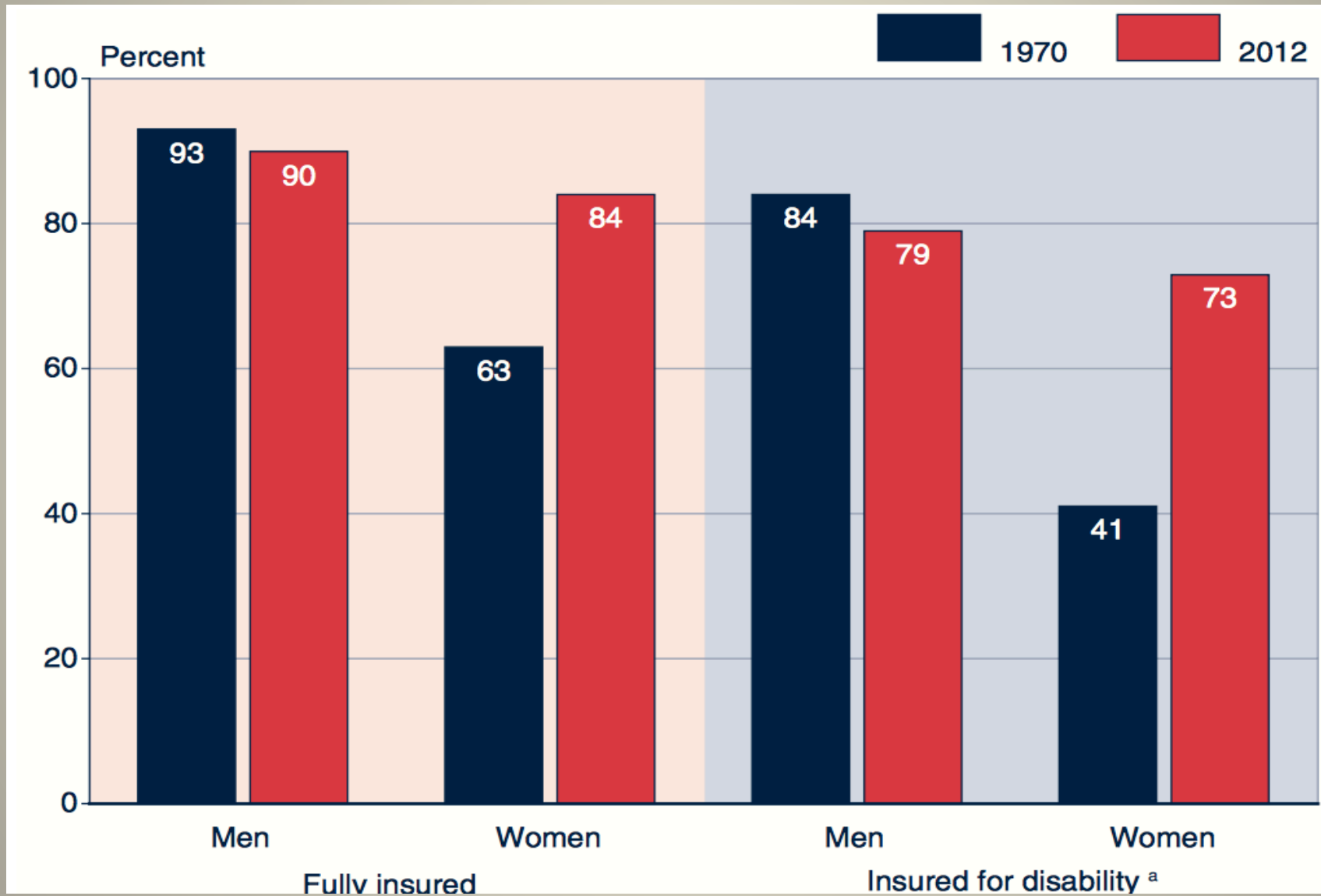
Average 2012 Income (AGI) of Those
with ETR of 30%+

\$2.7 million

Just What are Top Tax Burdens?

| | |
|-----------------------|---------------|
| Taxpayers at 30%+ ETR | <94,733 |
| Share of Taxpayers | 1 in 1,000 |
| Average ETR | 33.3% |
| Max FICA Burden | 0.5% |
| Combined TAX Rate | 33.8% |
| Average Income (AGI) | \$2.7 million |

Social Security insured - by gender



“Poll after poll shows that Americans are more politically polarized than in any time in recent history, but not when it comes to Social Security. Even among those who identify themselves as ‘consistently conservative,’ 59% now oppose any benefit cuts...” the Pew Research Center found.

-- Janet Novack
Forbes Magazine
Oct 24, 2014



DIVIDED

THE PERILS OF OUR GROWING INEQUALITY

EDITED BY

DAVID CAY JOHNSTON