



## **SPOTLIGHT: SOCIAL SECURITY & COMMUNITIES OF COLOR**

Social Security is an essential program to millions of Americans. It is especially important to minorities, many of whom have no other source of retirement income and disproportionately depend on Social Security for survival. African Americans and Hispanic Americans typically earn less than average incomes and have less access to private or public pensions or 401(k) plans. Due to the nature of their job, many African Americans and other minorities become disabled forcing them to apply for Social Security disability insurance. Minorities' socioeconomic factors such as lower educational levels and higher poverty also contribute to their early death, which leads their families to depend on Social Security survivors insurance. Nowhere is this more evident than with African American children. A larger percentage of them receive survivor benefits or benefits through disabled or retired workers.

### **Old Age Retirement Insurance**

- Almost 80% of African Americans depend on Social Security for more than 50% of income and 40% of African Americans rely on Social Security as sole source of income.
- More than of 75% of Hispanics depend on Social Security for more 50% of income and 43% of Hispanics rely on Social Security as sole source of income.
- 33% of Asian and Pacific Islanders rely on Social Security as sole source of income.
- 19% of whites rely on Social Security as sole source of income.

### **Disability Insurance**

- 45% of African American beneficiaries rely on Social Security for survivor and disability benefits.
- 58% of other racial and ethnic minorities rely on Social Security for survivor and disability benefits.
- 26% of whites depend on Social Security disability insurance.

### **Survivor's Insurance**

- 49% of African Americans receiving survivor benefits are children.
- 24% of whites receiving survivor benefits are children.



## ***Did you know...***

***Did you know...*** that Social Security disability insurance plays an important role for African Americans and other minority families? It's true! African Americans and Hispanic Americans have higher disability rates and lower lifetime earnings. In 2007, African Americans were 12.3 percent of the U.S. population, and made up 17 percent of disabled beneficiaries.

***Did you know...*** that a larger number of African-American children receive survivors benefit? It's true! African Americans make up 15% of U.S. children, yet 23% of children receiving survivors benefits are African Americans.

***Did you know...*** that people of color typically get a higher return for their contributions to Social Security? It's true! African Americans and Hispanic Americans generally earn less than whites, yet they receive greater portion of their contributions to Social Security than whites. This is due to the progressive nature of Average Indexed Monthly Earnings (A.I.M.E.) formula. This formula ensures that those in the lower and moderate end of the income scale receive proportionately more from their contributions than higher income beneficiaries, who typically have other means of retirement security.

***Did you know...*** that a lower percentage of African-Americans and Hispanics have another source of retirement income? It's true! Fewer African American (32.5%) and Hispanic families (25.3%) are contributing to 401(k) plans as compared to whites (56.2). Also, at retirement age, fewer African Americans (31%) and Hispanic Americans (19.8%) as opposed to whites (42.6%) can count on private or government pension for their retirement income.

***Did you know...*** that women of color possess the lowest levels of accumulated wealth. Single African American and Hispanic women possess one penny of wealth for every dollar of wealth owned by their male counterpart.

**To calculate the benefits will receive at retirement visit:**

**<http://www.ssa.gov/estimator/>**

