Understanding Social Security:  
Who Benefits, Who Pays, Possibility for Change

**Who Benefits?**
- Over 62 million Americans receive Social Security benefits\(^1\).
- Beneficiaries include retirees, disabled people, and dependent survivors.
- The average benefit is $1,159 per month\(^1\).
- \(\frac{3}{4}\) of beneficiaries rely on benefits for over half of their income and 1/4 rely on it exclusively\(^2\).
- Among beneficiaries over 65: 35% of whites, 42% of Asian-Americans, 49% of Blacks, and 55% of Hispanics are dependent on social security for 90% or more of their income\(^3\).
- Women rely more heavily on social security because they on average earn less than men, take more time out of the paid workforce, live longer, accumulate less savings, and receive smaller pensions\(^3\).
- Over 40% of the elderly would have incomes below the federal poverty line if they did not receive benefits. Currently less than 10% have incomes below this level\(^3\).

**Who Pays?**
- Social Security is funded by a payroll tax of 6.2% on earned incomes up to $113,700\(^4\) as of 2013. In 2012 the cap was $110,100\(^5\).
- 5.2% of people make more than $113,700 a year in income, meaning the richest 5.2% pay less than 6.2% towards social security\(^6\).
- 17% of the total income of individuals who pay into the Social Security is not taxed, as it is above this cap\(^7\).
- Investment income is not subject to social security tax.

![Annual Income v. % Paid Toward Social Security 2012](Graph Citation: SEIU, http://www.seiu.org/2012/03/lets-strengthen-social-security.php)

**Possibility for Change**
- Maintaining Social Security’s current structure would mean that full benefits could still continue until 2033, and 75% of payments could continue until 2087\(^8\).
- Eliminating the cap on taxable income would ensure the Social Security program is fully funded through 2083\(^9\).