

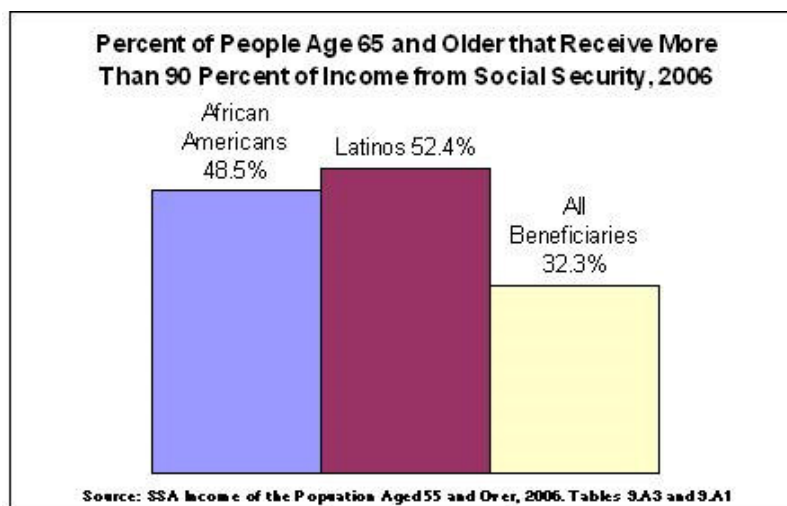


Social Security is a critical lifeline for people from all walks of life. The program provides insurance benefits to workers and their families in the event of death, disability or retirement. These benefits secure and support the well-being of Americans nationwide, include benefits that extend to both children and the elderly. **Specifically, almost 6 million African Americans receive Social Security benefits.**

Retirement Security

African Americans typically have lower lifetime earnings than other working individuals, a result of structural inequities experienced throughout their lives. For instance, in 2008, the median income for African American full-time workers was about \$34,000, compared to \$40,000 for all working-age people. With less money to save for retirement, **Social Security is the primary source of income for many retired African Americans.** In fact, Social Security benefits are the only source of income for two of every five (40 percent) African American retirees.

Social Security's progressive benefits formula attempts to alleviate some of these societal inequities by **replacing a higher percentage of a low-wage earner's preretirement earnings in monthly benefits than that of a higher-wage earner.** For instance: African Americans earn 73 percent as much as whites, on average, but because of Social Security's progressive benefit structure, their average retirement benefit is about 85 percent as much as whites.



It should be noted that the Social Security program itself is race blind. The benefits it pays are strictly based on a worker's earnings history and family situation.



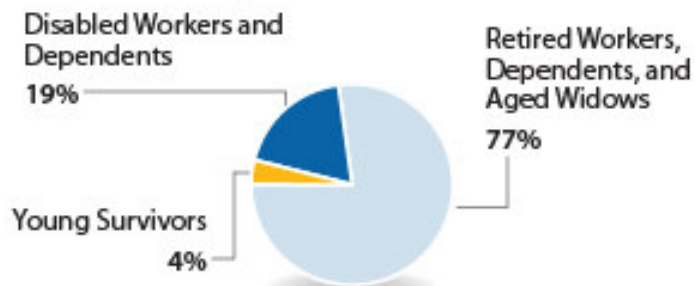
Disability & Life Insurance

Because African Americans are more likely than whites to work in hazardous jobs, the rate at which they receive disability benefits and the rate at which their spouses and children receive disability and survivor benefits is greater than that of white workers. For this reason, Social Security's disability and survivor benefits are particularly important to African Americans and their families.

Disability Insurance

- One of every five (nearly 21 percent) who receive Social Security disability benefits is African American.
- Disability benefits are worth \$414,000 to a representative family. For instance, if a young worker who earns average wages and has a spouse and two young children becomes disabled, the disability benefit that will be paid to the family over the years will total approximately \$414,000.

Almost One-Quarter of Social Security Beneficiaries Receive Disability or Young Survivors Benefits



Source: Social Security Administration, June 2010 data.

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Life Insurance – Survivors Benefits

- More than one of every eight (13 percent) of black Americans who receive Social Security benefits gets survivor benefits, in contrast to about one of every ten white Americans (11 percent).
- Survivors' benefits are worth \$433,000 to a representative family. For instance, if a young worker with average earnings, a spouse and two young children dies, Social Security survivors benefits equal a life insurance policy with a face value of \$433,000.