

HOUSING EXPENDITURES OF SOCIAL SECURITY BENEFICIARIES, 2005–2018

by Patrick J. Purcell*

This article uses data from the public-use files of the Census Bureau’s American Community Survey for selected years 2005–2018 to examine the annual housing expenditures of households that include at least one person who received income from Social Security, regardless of age. In all years, the median percentage of income spent on housing was higher in households that included at least one Social Security beneficiary than in households with no beneficiaries. In households with at least one Social Security beneficiary, the median share of income spent on housing varied by tenure. The median shares for renter households were 31.7 percent in 2005 and 32.5 percent in 2018. The median shares for homeowner households with a mortgage were 27.3 percent in 2005 and 25.1 percent in 2018. The median shares for homeowner households without a mortgage were 13.9 percent in 2005 and 12.4 percent in 2018.

Introduction

Housing is the largest single expenditure category for U.S. households. On average, in 2018, expenditures for housing were equal to 25.5 percent of household income among all U.S. households; among those with householders aged 65 or older, housing expenditures were equal to 32.8 percent of household income (Bureau of Labor Statistics 2020).¹ Although spending for health care may receive more attention in the media, housing expenditures typically are more than twice the amount of out-of-pocket spending for health care among households headed by individuals aged 65 or older (Johnson 2015).² Given the significance of housing expenditures in household budgets, trends in housing expenditures among Social Security beneficiaries are of potential interest to policymakers and the public.

Using data from the Consumer Expenditure Survey (CES),³ the Social Security Administration (SSA) has documented the expenditure patterns of Americans aged 55 or older in the *Expenditures of the Aged Chartbook*, most recently with data for 2015 (SSA 2018a). This article focuses on the housing

expenditures of households in which at least one person received income from Social Security, regardless of age. The data are from the public-use files of the Census Bureau’s American Community Survey (ACS). The ACS collects a wide range of demographic and economic data from a representative sample of more than 3.2 million U.S. households.⁴ With ACS data, research can examine topics such as housing tenure and expenditures and income sources and amounts, with detail by householder age, sex, marital status, and other demographic characteristics (Census Bureau 2014).⁵ This analysis covers selected years from 2005 to 2018. Those years were chosen because full implementation of the ACS began in 2005 and data for 2018 were the most recent available when this research began.

Selected Abbreviations

ACS	American Community Survey
OASDI	Old-Age, Survivors, and Disability Insurance

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Housing Tenure, Household Income, and Percentage of Income Spent on Housing in 2018

In 2018, an estimated 121.5 million households resided in the United States, distributed among three categories of housing tenure: renters, homeowners with mortgages, and homeowners without mortgages. Chart 1 shows that renter households numbered 43.7 million (36.0 percent) and homeowners numbered 77.8 million (64.0 percent). Among the homeowner households, 48.2 million (61.9 percent) had mortgages on their homes and 29.6 million (38.1 percent) did not; respectively, those groups accounted for 39.6 percent and 24.4 percent of all U.S. households.⁶

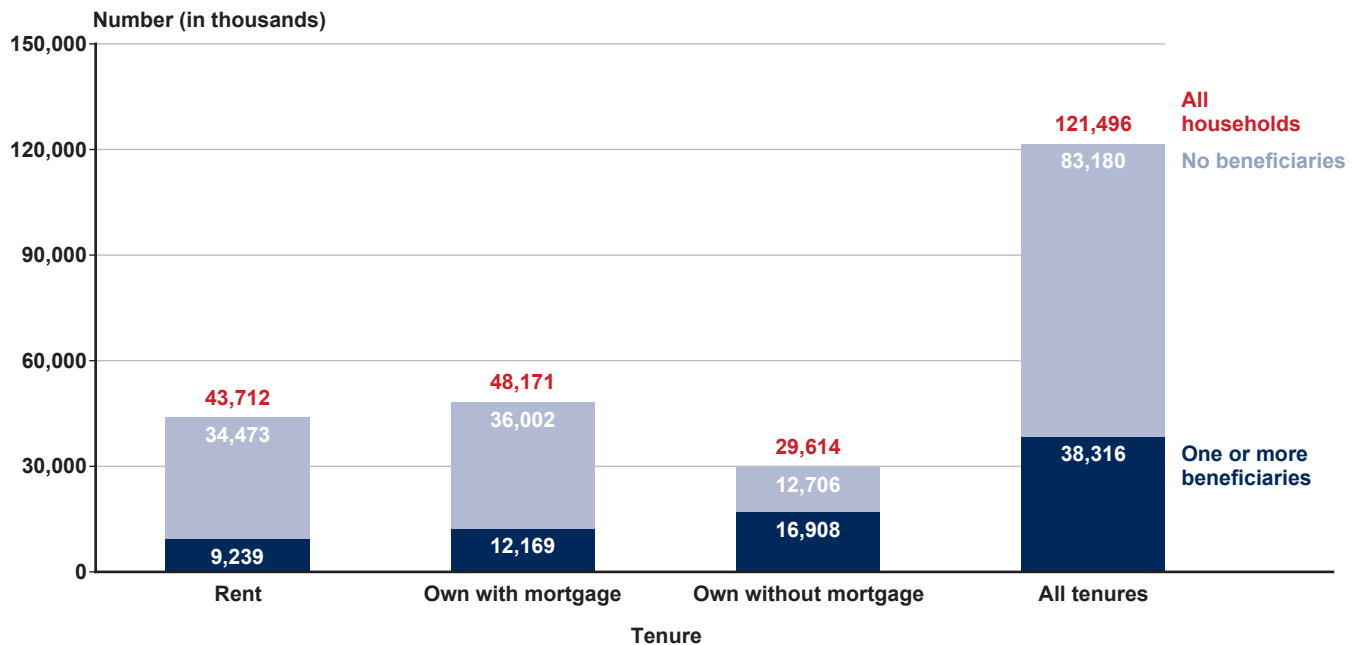
Of the 121.5 million U.S. households in 2018, 38.3 million (31.5 percent) included at least one person of any age who received Social Security (Old-Age, Survivors, and Disability Insurance, or OASDI) benefits (Table 1).⁷ The 9.2 million renter households that included at least one beneficiary constituted 24.1 percent of all beneficiary households. Among households with mortgages, 12.2 million included one or more beneficiaries, constituting 31.8 percent of all beneficiary households. Homeowner households without mortgages in which at least one person received Social

Security benefits numbered 16.9 million and constituted 44.1 percent of beneficiary households. Households with at least one Social Security beneficiary constituted 21.1 percent of renter households, 25.3 percent of households with mortgages, and 57.1 percent of homeowner households without mortgages.

The high percentage of beneficiary households among homeowners without mortgages indicates that the proportion of residents who have attained age 62—the earliest eligibility age for retired-worker benefits—is higher in these households than in the other tenure groups. Using data from the 2018 ACS, I calculate that the median age of homeowners without a mortgage was 66, and the median ages of homeowners with a mortgage and of renters were 53 and 44, respectively. The householder was aged 62 or older in 82.4 percent of households in which one or more people received income from Social Security in 2018. By contrast, the householder was 62 or older in only 8.8 percent of households with no Social Security beneficiaries.

Household income differed substantially across housing tenure groups in 2018. It was lower among renter households than among homeowners with or without mortgages; and among homeowners, it was lower for those without mortgages than for those with

Chart 1.
Number of households, by tenure and presence of OASDI beneficiaries, 2018



SOURCE: Author's calculations based on ACS data.

Table 1.
Number of U.S. households, and percentage distribution by householder characteristics and housing tenure: By presence of OASDI beneficiaries, selected years 2005–2018

Characteristic	2005	2010	2015	2018
All households: Number (in thousands)	114,682	114,542	118,178	121,496
Households with one or more beneficiaries				
Number (in thousands)	30,104	32,463	36,253	38,316
Percentage distribution by householder—				
Age	100.0	100.0	100.0	100.0
18–61	20.4	20.4	19.0	17.6
62–69	26.9	29.2	30.6	29.4
70 or older	52.7	50.4	50.4	53.0
Marital status	100.0	100.0	100.0	100.0
Married couple	47.7	47.7	47.8	47.9
Unmarried male	14.9	15.8	16.7	17.1
Unmarried female	37.4	36.5	35.5	35.0
Race/ethnicity	100.0	100.0	100.0	100.0
Single race, non-Hispanic				
White	80.0	79.1	77.3	76.1
Black	10.1	10.1	10.6	10.9
American Indian/Alaska Native	0.6	0.5	0.5	0.6
Asian/Pacific Islander	2.2	2.4	2.9	3.1
Two or more races, non-Hispanic	0.9	1.1	1.2	1.3
Hispanic origin, any race(s)	6.3	6.8	7.5	8.1
Percentage distribution by housing tenure	100.0	100.0	100.0	100.0
Rent	22.5	23.6	24.6	24.1
Own with mortgage	29.0	31.4	31.8	31.8
Own without mortgage	48.6	45.1	43.5	44.1
Households with no beneficiaries				
Number (in thousands)	84,578	82,079	81,926	83,180
Percentage distribution by householder—				
Age	100.0	100.0	100.0	100.0
18–61	95.7	94.1	92.6	91.3
62–69	3.2	4.7	5.9	7.1
70 or older	1.1	1.3	1.5	1.7
Marital status	100.0	100.0	100.0	100.0
Married couple	53.8	51.8	51.0	51.1
Unmarried male	20.0	20.5	21.3	21.6
Unmarried female	26.2	27.6	27.7	27.3
Race/ethnicity	100.0	100.0	100.0	100.0
Single race, non-Hispanic				
White	68.8	67.2	64.4	62.7
Black	12.3	12.4	12.7	12.7
American Indian/Alaska Native	0.7	0.6	0.6	0.6
Asian/Pacific Islander	4.4	4.7	5.4	5.8
Two or more races, non-Hispanic	1.2	1.6	1.9	2.2
Hispanic origin, any race(s)	12.5	13.5	15.1	15.9
Percentage distribution by housing tenure	100.0	100.0	100.0	100.0
Rent	37.0	38.9	42.3	41.4
Own with mortgage	51.4	48.9	43.5	43.3
Own without mortgage	11.6	12.1	14.2	15.3

SOURCE: Author's calculations based on ACS data.

NOTE: Rounded components of percentage distributions do not necessarily sum to 100.0.

mortgages (Chart 2). One reason homeowners without mortgages had lower income than homeowners with mortgages is that the nonmortgage-holding householders were older on average, and thus were more likely to have retired from full-time employment. As noted above, in 2018 the median age of homeowners with mortgages was 53 while the median age of homeowners without mortgages was 66. Using 2018 ACS data, I calculate that 80 percent of 53-year-old householders were employed and only 17 percent were not in the labor force (3 percent were unemployed; not shown). By contrast, only 38 percent of 66-year-old householders were employed and 61 percent were not in the labor force (1 percent were unemployed).

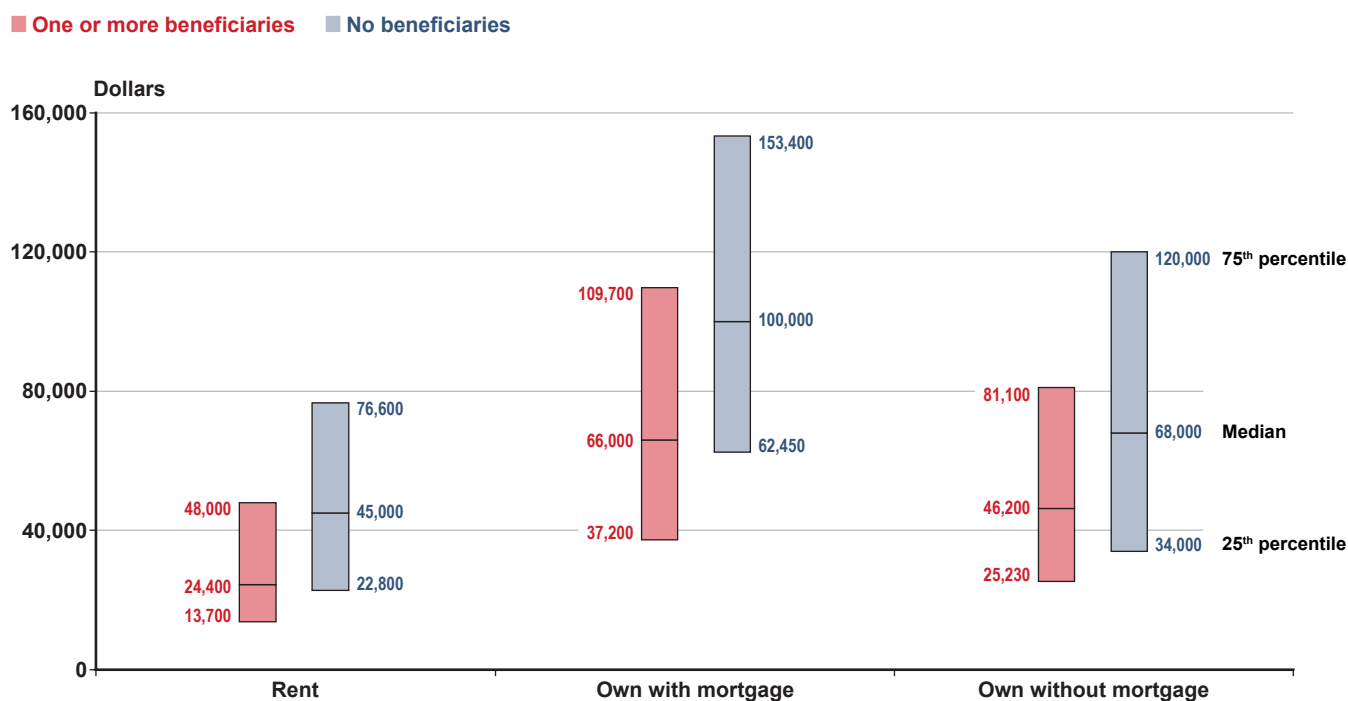
Across all three tenure groups, households that included at least one person receiving Social Security benefits had lower income at the 25th, 50th, and 75th percentiles than did households in which there were no Social Security beneficiaries. This was due in part to the presence, on average, of fewer workers in households with Social Security beneficiaries than in nonbeneficiary households. Using ACS data for 2018, I calculate that households with no Social Security beneficiaries included an average of 1.6 people who reported having earned income during the preceding 12 months (not shown). Households with at least one

Social Security beneficiary averaged only 0.6 residents who reported having earned income during the preceding 12 months.

ACS data on housing expenditures include amounts spent on shelter and utilities. Shelter expense categories include rent, mortgage interest and fees, property taxes, and homeowners' and renters' insurance. Utility expenses include water, electricity, gas, and heating oil.⁸ The proportion of household income spent on housing in 2018 differed substantially across tenure groups (Chart 3). Renters spent a greater share of income on housing than did homeowners, and homeowners with mortgages spent a greater proportion of income on housing than did those without mortgages. Within each tenure category, households with one or more Social Security beneficiaries spent a larger proportion of household income on housing than did households with no Social Security beneficiaries. This result aligns with the data exhibited in Chart 2, which show that in all three categories of household tenure, households with one or more Social Security beneficiaries generally had lower incomes than households in which no one received income from Social Security.

Among beneficiary households, renters with the median ratio of housing expenditures to household

Chart 2.
Household income at the 25th, 50th (median), and 75th percentiles, by housing tenure and presence of OASDI beneficiaries, 2018



SOURCE: Author's calculations based on ACS data.

income spent nearly one-third of their income (32.5 percent) on housing, while the median ratio among homeowners with a mortgage was about one-quarter (25.1 percent). The median ratio of housing expenditures to household income for a nonmortgage-holding homeowner household with at least one Social Security beneficiary was only 12.4 percent in 2018. One-fourth of renter households with at least one Social Security beneficiary spent 57 percent or more of household income on housing in 2018. One-fourth of beneficiary households with mortgages spent 41 percent or more of income on housing. One-fourth of homeowning beneficiary households without mortgages spent 22 percent or more of income on housing expenditures for items such as property taxes, homeowners' insurance, and utilities.

In summary:

- Of the 121.5 million U.S. households in 2018, 38.3 million (31.5 percent) included at least one Social Security beneficiary.
- Among the 38.3 million households that included one or more Social Security beneficiaries in 2018, 24.1 percent were renters, 31.8 percent were homeowners with mortgages, and 44.1 percent were homeowners without mortgages.

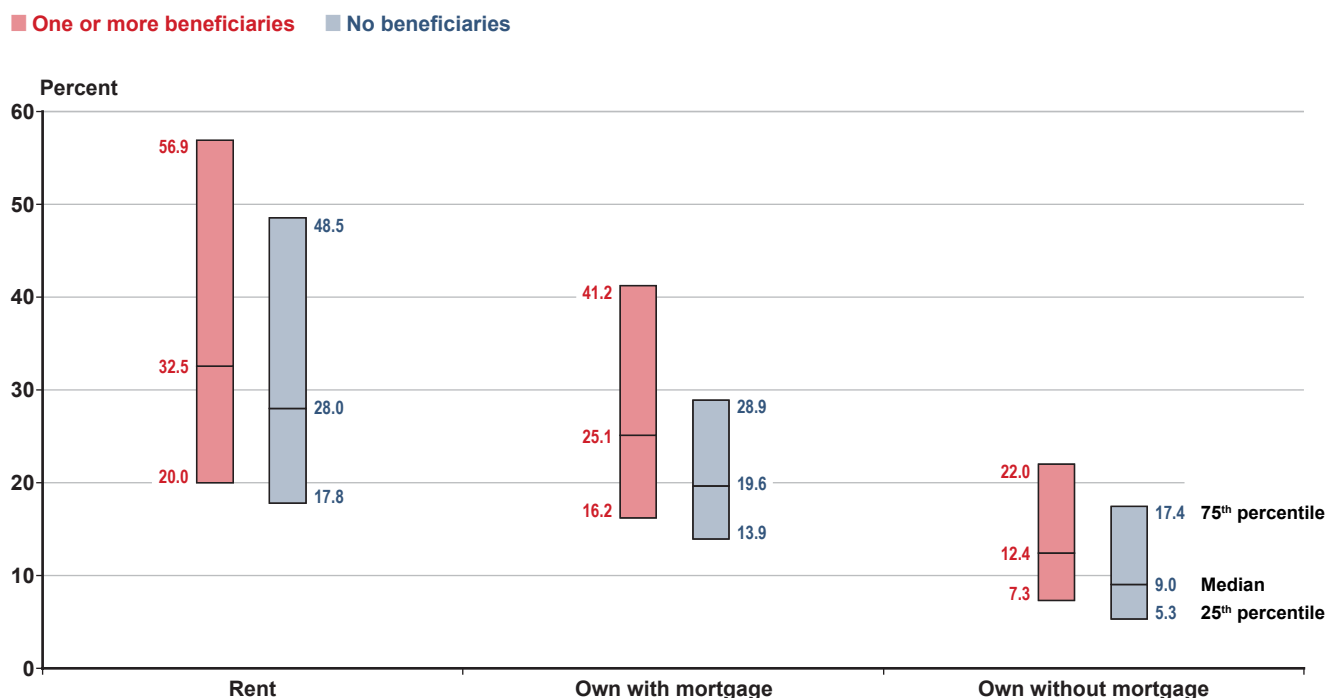
- Among households with one or more Social Security beneficiaries in 2018, the median ratio of housing expenditures to household income was 32.5 percent for renter households, 25.1 percent for mortgage-holders, and 12.4 percent for homeowners without a mortgage.

Number of Households by Tenure and Receipt of Social Security Benefits, 2005–2018

From 2005 to 2018, the number of households in the United States rose from 114.7 million to 121.5 million (Table 1), a 5.9 percent increase. The number of households in which no one received Social Security benefits fell from 84.6 million to 83.2 million, a decrease of 1.7 percent. In that period, the number of households in which one or more people received income from Social Security rose by 27.3 percent, from 30.1 million to 38.3 million.

The number of households with one or more Social Security beneficiaries rose mainly because waves of individuals born during the 1946–1964 baby boom became eligible for and claimed retired-worker benefits. From December 2005 to December 2018, the number of Social Security beneficiaries rose by

Chart 3.
Percentage of household income spent on housing at the 25th, 50th (median), and 75th percentiles, by housing tenure and presence of OASDI beneficiaries, 2018



SOURCE: Author's calculations based on ACS data.

30.0 percent, from 48.4 million to 62.9 million. The number of Old-Age and Survivors Insurance beneficiaries increased by 31.4 percent, from 40.1 million to 52.7 million—substantially more than the increase in the number of Disability Insurance beneficiaries, which rose 22.9 percent, from 8.3 million to 10.2 million (SSA 2019, Table 5.A4).

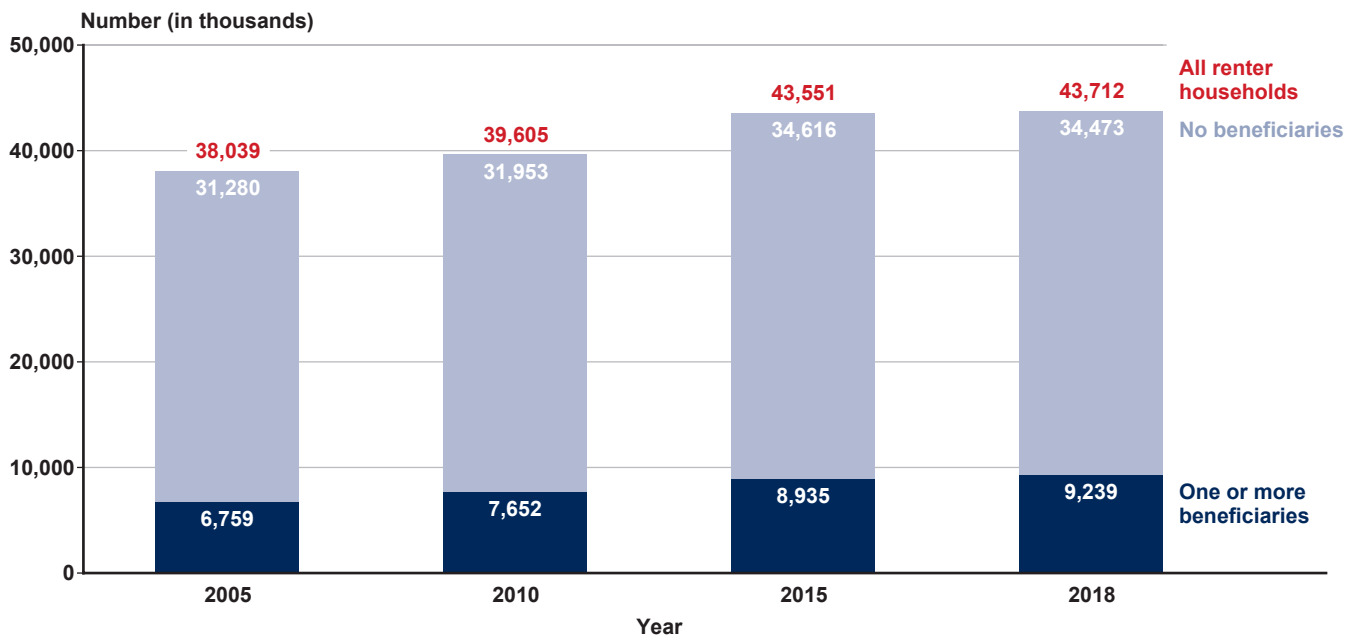
During the period from 2005 to 2018, the number of renter households in the United States rose from 38.0 million to 43.7 million (Chart 4), a 14.9 percent increase. The number of renter households with no Social Security beneficiaries rose by 10.2 percent, from 31.3 million to 34.5 million, while the number of beneficiary renter households rose from 6.8 million to 9.2 million (36.7 percent). Households with one or more Social Security beneficiaries constituted 17.8 percent of renter households in 2005 and 21.1 percent of them in 2018. Conversely, renter households constituted 22.5 percent of the 30.1 million Social Security households in 2005 and 24.1 percent of the 38.3 million Social Security households in 2018 (Table 1).

From 2005 to 2018, the number of homeowner households with mortgages declined by 7.7 percent, from 52.2 million to 48.2 million (Chart 5). The number of nonbeneficiary households with mortgages declined by 17.2 percent, from 43.5 million to 36.0 million, but the number of beneficiary households

with mortgages rose from 8.7 million to 12.2 million (39.5 percent). Beneficiary households accounted for 16.7 percent of all homeowner households with mortgages in 2005 and 25.3 percent of them in 2018. Homeowner households with mortgages constituted 29.0 percent of the 30.1 million Social Security households in 2005 and 31.8 percent of the 38.3 million Social Security households in 2018 (Table 1).

The increase in the number of Social Security beneficiary households with mortgages during this period coincided with an increase in the proportion of all older homeowners with mortgages. Collins, Hembre, and Urban (2018) examined data from the Census Bureau and reported that from 2000 through 2015, the number of households headed by individuals aged 65 or older who held mortgage debt rose by 3.6 million, “increasing older American mortgage usage by thirty-nine percent.” Haurin, Loibl, and Moulton (2019), using data from the Health and Retirement Study, found that from 2004 to 2014, the proportion of households headed by persons aged 62–71 who had mortgage debt rose from 40 percent to 46 percent. Among households headed by persons aged 72 or older, the proportion with mortgage debt rose from 17 percent to 22 percent. The Joint Center for Housing Studies of Harvard University (2019) used data from the Federal Reserve Board’s Survey of Consumer Finances to find

Chart 4.
Number of renter households, by presence of OASDI beneficiaries, selected years 2005–2018



SOURCE: Author’s calculations based on ACS data.

that, from 1989 to 2016, the proportion of households headed by individuals aged 65–79 who had mortgages or home equity loans increased from 24 percent to 46 percent. Over the same period, the proportion of households headed by individuals aged 80 or older who had mortgage debt rose from 3 percent to 26 percent.

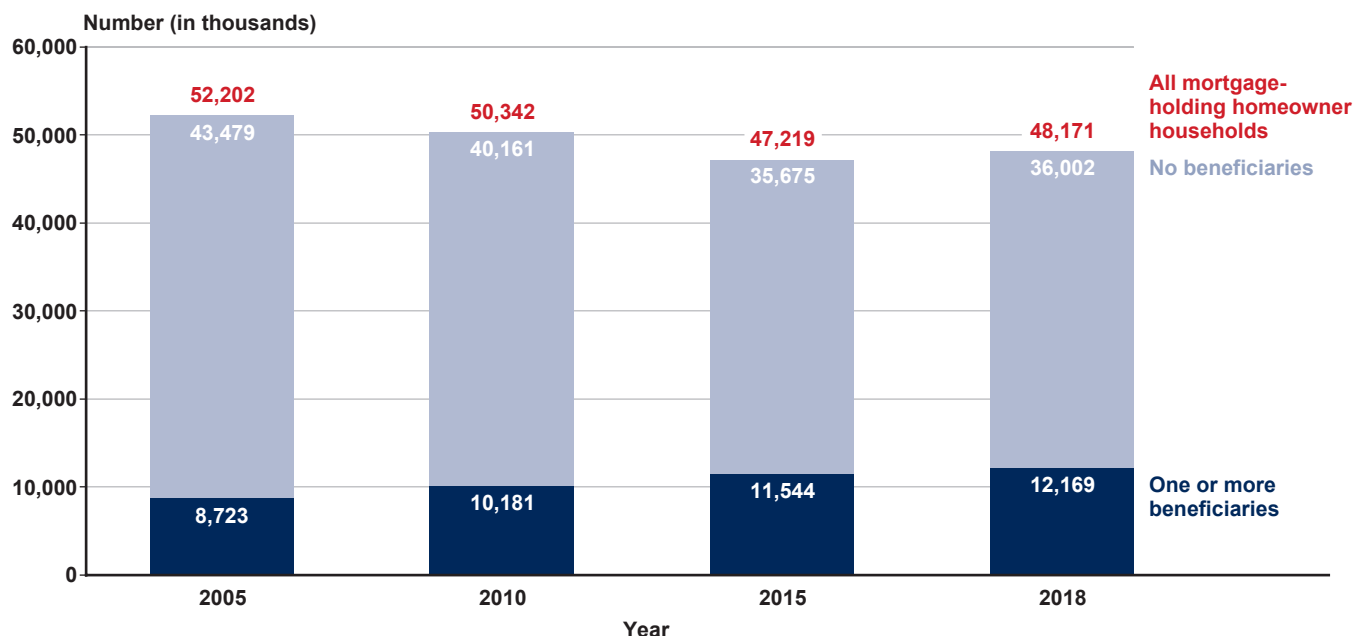
The increase in retirement-age households with housing debt occurred in a period during which interest rates fell to historically low levels. Some older homeowners may have chosen to refinance their mortgages at lower interest rates and thereby extended the term of their loans into their retirement years. The availability of home equity loans and lines of credit also might have provided incentives for older homeowners to borrow against the equity in their homes. Other homeowners may have been unable to pay off their mortgage debts before retiring because of other financial obligations. For example, some older homeowners may have helped their adult children repay student loans or purchase first homes, delaying repayment of their own mortgage debt to do so.

From 2005 to 2018, the number of homeowner households without mortgages rose by 21.2 percent, from 24.4 million to 29.6 million (Chart 6). The number of nonbeneficiary, nonmortgage-holding homeowner households rose by 29.4 percent, from 9.8 million to 12.7 million, while the number of

nonmortgage-holding beneficiary households rose from 14.6 million to 16.9 million (15.6 percent). Households that included one or more Social Security beneficiaries constituted 59.8 percent of all homeowner households without mortgages in 2005 and 57.1 percent of them in 2018. Nonmortgage-holding homeowner households accounted for 48.6 percent of the 30.1 million Social Security households in 2005 and 44.1 percent of the 38.3 million Social Security households in 2018 (Table 1).

From 2005 to 2018, the number of households with one or more Social Security beneficiaries increased by 8.2 million. Renter households accounted for 30.2 percent of that increase, as their numbers rose by 2.5 million. The number of beneficiary households with mortgages rose by 3.4 million, constituting 42.0 percent of the increase, and the number of nonmortgage-holding homeowner beneficiary households rose by 2.3 million, representing 27.8 percent of the increase. As noted earlier, the number of Old-Age and Survivors Insurance beneficiaries rose by 12.6 million from 2005 to 2018, accounting for 86.9 percent of the increase in the number of all beneficiaries during this period. Although retirees are more likely to have paid off their mortgages than younger people are, homeowner households without mortgages accounted for only about 28 percent of the increase in beneficiary households. The increase in

Chart 5.
Number of mortgage-holding homeowner households, by presence of OASDI beneficiaries, selected years 2005–2018



SOURCE: Author's calculations based on ACS data.

the proportion of older households with mortgages appears to account for the relatively small contribution of nonmortgage-holding homeowner households toward the overall increase in beneficiary households.

In summary:

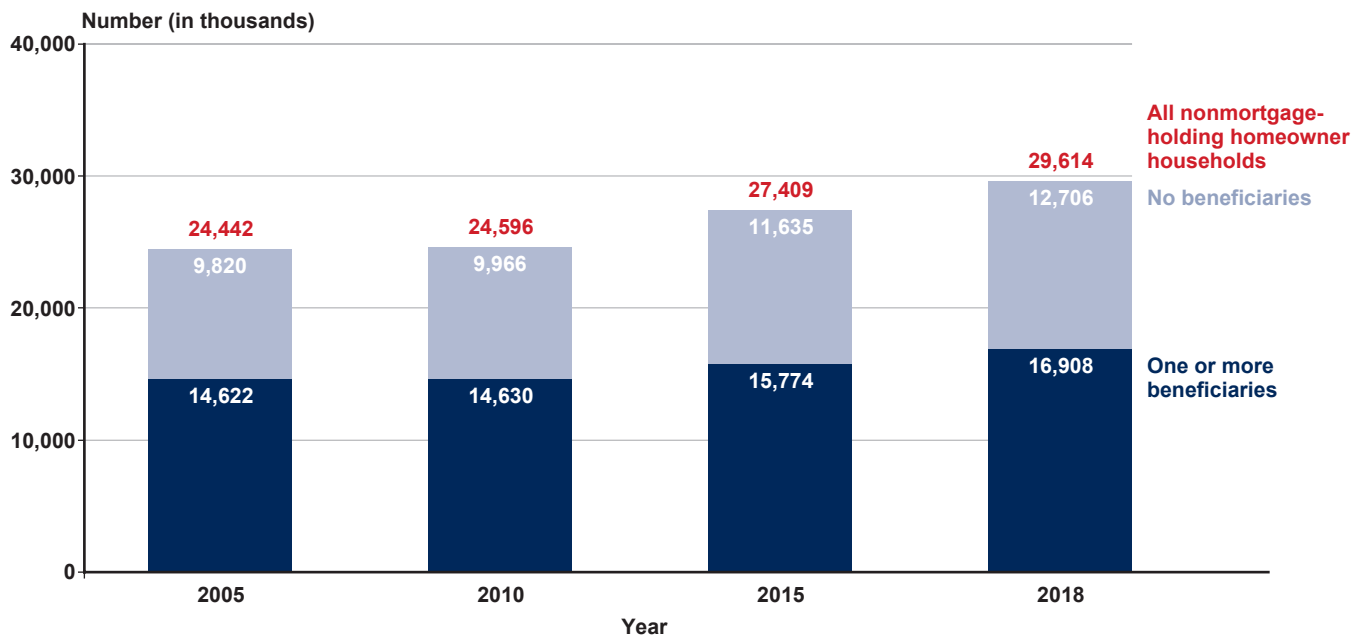
- From 2005 to 2018, the number of households in which at least one person received Social Security benefits increased by 27.3 percent, from 30.1 million to 38.3 million, while the number of nonbeneficiary households declined by 1.7 percent, from 84.6 million to 83.2 million.
- Households with one or more Social Security beneficiaries accounted for 26.2 percent of all households in 2005 and 31.5 percent of all households in 2018.
- Renter households constituted 22.5 percent of Social Security households in 2005 and 24.1 percent of Social Security households in 2018.
- Households with mortgages constituted 29.0 percent of Social Security households in 2005 and 31.8 percent of Social Security households in 2018.
- Homeowner households without mortgages constituted 48.6 percent of Social Security households in 2005 and 44.1 percent of Social Security households in 2018.

Household Income by Tenure and Receipt of Social Security Benefits, 2005–2018

In both 2005 and 2018, the median income of homeowner households was higher than that of renter households, and among homeowner households, it was higher among mortgage-holders than nonmortgage-holders (Table 2). In both years and all three tenure categories, median income was higher in households with no Social Security beneficiaries than in households with one or more beneficiaries.

From 2005 to 2018, the real median income of renter households with one or more Social Security beneficiaries rose 12.3 percent, from \$21,730 to \$24,400 (Chart 7). The real median income of nonbeneficiary renter households rose from \$38,574 to \$45,000 (16.7 percent). At the 25th percentile, the real income of beneficiary renter households rose from \$12,871 to \$13,700 (6.4 percent), while the real income of nonbeneficiary renter households rose 16.7 percent, from \$19,544 to \$22,800. At the 75th percentile, the real income of beneficiary renter households rose from \$40,760 to \$48,000 (17.8 percent), while the real income of nonbeneficiary renter households rose 16.8 percent, from \$65,576 to \$76,600.

Chart 6. Number of nonmortgage-holding homeowner households, by presence of OASDI beneficiaries, selected years 2005–2018



SOURCE: Author's calculations based on ACS data.

Table 2.
Median annual income of U.S. households, by householder characteristics, housing tenure, and presence of OASDI beneficiaries: Selected years 2005–2018 (in 2018 dollars)

Characteristic	2005	2010	2015	2018
All households	58,208	57,348	58,587	61,000
Households with one or more beneficiaries				
All	39,757	42,032	44,819	45,900
By householder—				
Age				
18–61	50,146	48,596	49,794	53,700
62–69	49,118	51,821	52,866	51,400
70 or older	33,174	35,584	39,210	41,100
Marital status				
Married couple	58,247	62,070	66,215	67,300
Unmarried male	30,088	30,402	31,042	31,750
Unmarried female	24,430	26,141	27,863	28,300
Race/ethnicity				
Single race, non-Hispanic				
White	41,403	43,656	47,039	48,000
Black	28,031	30,517	31,783	33,100
American Indian/Alaska Native	30,088	31,323	30,883	33,800
Asian/Pacific Islander	58,118	60,458	62,507	64,200
Two or more races, non-Hispanic	36,260	38,290	41,001	42,900
Hispanic origin, any race(s)	34,331	37,081	38,352	39,400
By housing tenure				
Rent	21,730	23,147	24,367	24,400
Own with mortgage	61,461	63,106	65,156	66,000
Own without mortgage	39,217	41,457	45,344	46,200
Households with no beneficiaries				
All	65,576	63,341	65,898	70,000
By householder—				
Age				
18–61	66,862	64,143	66,745	70,000
62–69	64,740	69,094	71,195	72,200
70 or older	18,516	20,728	19,070	22,100
Marital status				
Married couple	90,006	89,995	95,350	99,800
Unmarried male	50,146	46,178	49,794	51,600
Unmarried female	38,574	38,002	39,200	41,000
Race/ethnicity				
Single race, non-Hispanic				
White	74,577	72,549	76,280	80,000
Black	42,432	40,996	41,318	44,000
American Indian/Alaska Native	46,289	42,723	43,437	46,500
Asian/Pacific Islander	77,148	80,610	84,756	92,000
Two or more races, non-Hispanic	55,290	55,276	60,812	64,000
Hispanic origin, any race(s)	48,346	46,788	48,734	53,000
By housing tenure				
Rent	38,574	38,002	42,378	45,000
Own with mortgage	90,251	90,180	95,986	100,000
Own without mortgage	61,976	60,918	65,686	68,000

SOURCE: Author's calculations based on ACS data.

From 2005 to 2018, the real median income of beneficiary mortgage-holding households rose 7.4 percent, from \$61,461 to \$66,000 (Chart 8). The real median income of nonbeneficiary mortgage-holding households rose 10.8 percent, from \$90,251 to \$100,000. At the 25th percentile, the real income of beneficiary mortgage-holding households rose from \$34,588 to \$37,200 (7.6 percent), while that of mortgage-holding nonbeneficiary households rose 7.9 percent, from \$57,861 to \$62,450. At the 75th percentile, the real income of beneficiary mortgage-holding households rose from \$102,093 to \$109,700 (7.5 percent), and that of mortgage-holding nonbeneficiary households rose 13.6 percent, from \$135,009 to \$153,400.

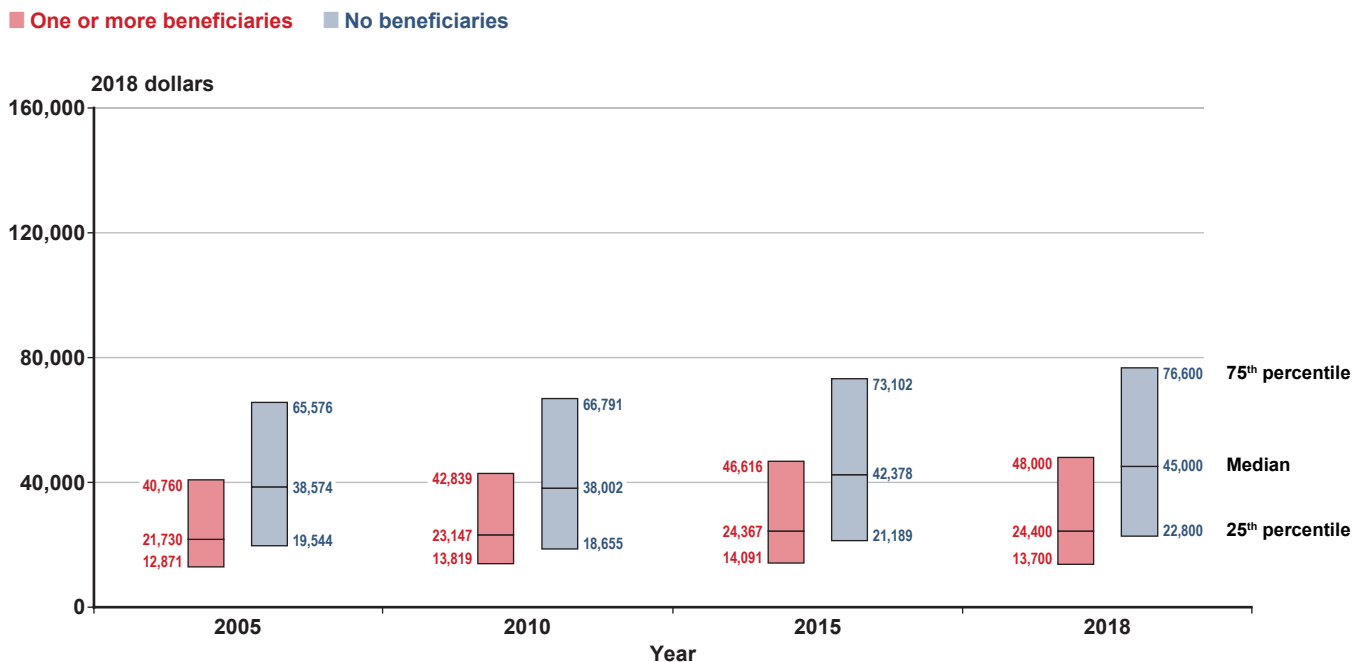
From 2005 to 2018, the real median income of beneficiary homeowner households without mortgages rose 17.8 percent, from \$39,217 to \$46,200 (Chart 9). The real median income of nonbeneficiary homeowner households without mortgages rose from \$61,976 to \$68,000 (9.7 percent). At the 25th percentile, the real income of beneficiary nonmortgage-holding homeowner households rose from \$22,167 to \$25,230 (13.8 percent). The real income of nonbeneficiary homeowner households without mortgages rose 5.8 percent, from \$32,145 to \$34,000. At the 75th percentile, the real income of beneficiary nonmortgage-holding homeowner households rose from \$67,505 to

\$81,100 (20.1 percent). The real income of nonbeneficiary nonmortgage-holding homeowner households rose 12.6 percent, from \$106,593 to \$120,000.

In summary:

- In both 2005 and 2018, the median income of homeowner households was higher than that of renter households. Among homeowners, the median income of households with mortgages was higher than the median income of households without mortgages.
- In all three tenure categories and in both years, median income was higher in households with no Social Security beneficiaries than in households with one or more beneficiaries.
- From 2005 to 2018, the real median income of renter households with one or more beneficiaries rose by \$2,670, from \$21,730 to \$24,400 (12.3 percent).
- The real median income of Social Security beneficiary households with mortgages rose by \$4,539, from \$61,461 to \$66,000 (7.4 percent).
- The real median income of Social Security beneficiary homeowner households without mortgages rose by \$6,983, from \$39,217 to \$46,200 (17.8 percent).

Chart 7.
Renter households: Annual household real income at the 25th, 50th (median), and 75th percentiles, by presence of OASDI beneficiaries, selected years 2005–2018

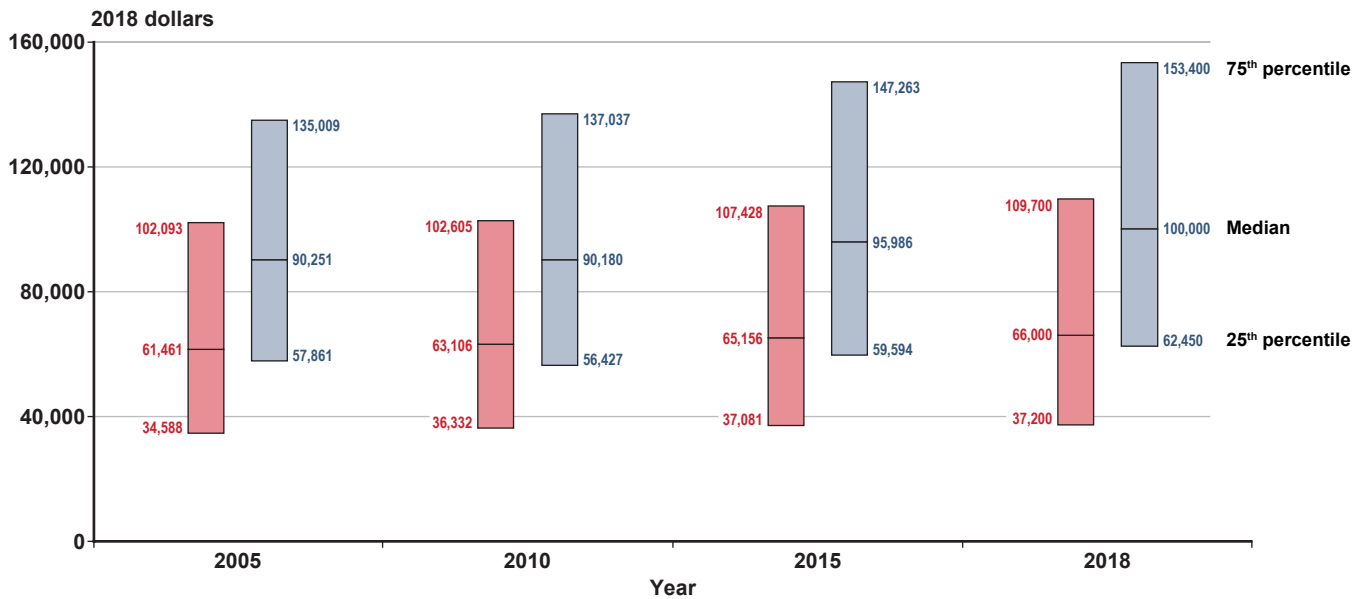


SOURCE: Author's calculations based on ACS data.

Chart 8.

Mortgage-holding homeowner households: Annual household real income at the 25th, 50th (median), and 75th percentiles, by presence of OASDI beneficiaries, selected years 2005–2018

■ One or more beneficiaries ■ No beneficiaries

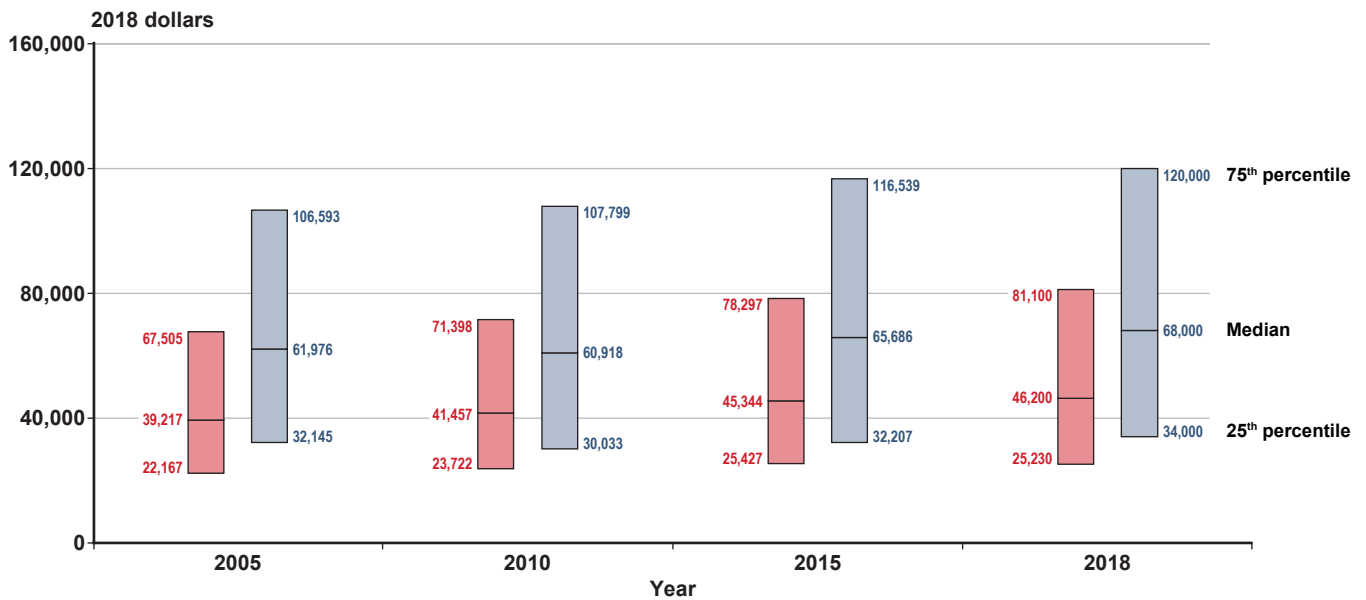


SOURCE: Author's calculations based on ACS data.

Chart 9.

Nonmortgage-holding homeowner households: Annual household real income at the 25th, 50th (median), and 75th percentiles, by presence of OASDI beneficiaries, selected years 2005–2018

■ One or more beneficiaries ■ No beneficiaries



SOURCE: Author's calculations based on ACS data.

Housing Expenditures by Tenure and Receipt of Social Security Benefits, 2005–2018

In both 2005 and 2018, renter households in which one or more people received Social Security benefits paid a larger percentage of their income on housing expenses than renter households with no beneficiaries (Chart 10). The median proportion of household income spent on housing remained relatively stable among beneficiary renter households, at 31.7 percent in 2005 and 32.5 percent in 2018. The median proportion of income spent on housing by nonbeneficiary renter households remained essentially the same, at 27.8 percent in 2005 and 28.0 percent in 2018.⁹

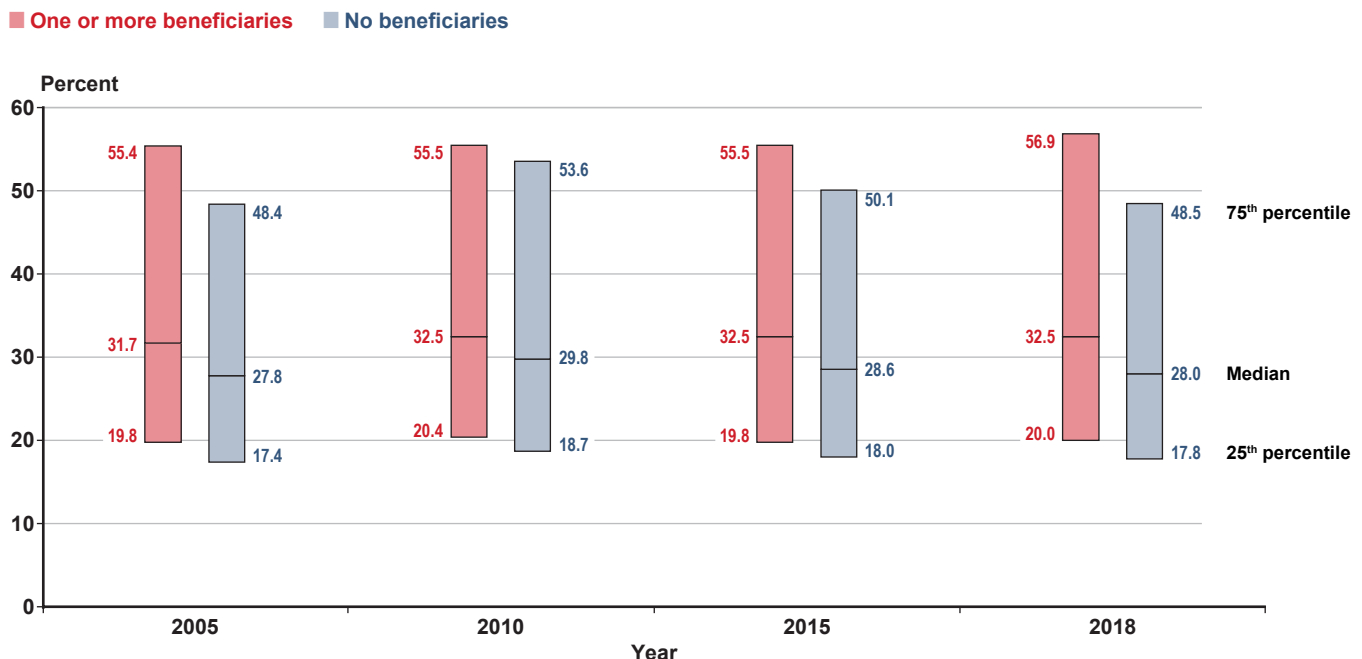
At the 25th percentile of the expenditure-ratio distribution, renter households with at least one Social Security beneficiary spent approximately 20 percent of household income on housing in both 2005 and 2018, and nonbeneficiary renter households spent 17.4 percent of income on housing in 2005 and 17.8 percent of income on housing in 2018. At the upper end of the expenditure-ratio distribution (the 75th percentile), housing expenses consumed about half—or more—of household income. For beneficiary renter households at the 75th percentile, housing expenses consumed 55.4 percent of income in 2005 and 56.9 percent of income in 2018. Nonbeneficiary renter households

spent 48.4 percent of income on housing in 2005 and 48.5 percent of income on housing in 2018.

Like renter households, mortgage-holding households with one or more people receiving Social Security benefits paid a higher percentage of income on housing expenses than nonbeneficiary households did in both 2005 and 2018 (Chart 11). Unlike for renter households, however, the proportion of household income spent on housing by mortgage-holders declined during this period: Among beneficiary households, the median proportion declined from 27.3 percent in 2005 to 25.1 percent in 2018; among nonbeneficiary households, it declined from 23.1 percent in 2005 to 19.6 percent in 2018.¹⁰

Among mortgage-holding beneficiary households, one-fourth spent 17.7 percent or less of household income on housing in 2005. By 2018, the 25th percentile expenditure-to-income ratio had declined by 1.5 percentage points to 16.2 percent. Among nonbeneficiary households, the 25th percentile expenditure-to-income ratio declined from 16.2 percent in 2005 to 13.9 percent in 2018. One-fourth of Social Security beneficiary households with mortgages spent at least 44.6 percent of income on housing in 2005. By 2018, the 75th percentile of that ratio had declined by 3.4 percentage points to 41.2 percent of household income. Among nonbeneficiary households, the 75th percentile

Chart 10. Renter households: Percentage of household income spent on housing at the 25th, 50th (median), and 75th percentiles, by presence of OASDI beneficiaries, selected years 2005–2018



SOURCE: Author's calculations based on ACS data.

expenditure-to income ratio declined from 33.9 percent in 2005 to 28.9 percent in 2018.

Homeowner households without mortgages spent a smaller proportion of income on housing than did either renters or homeowners with mortgages in both 2005 and 2018. As with mortgage-holding households, the proportion of income spent on housing by nonmortgage-holding homeowner households declined from 2005 to 2018, but the decline was proportionally smaller. The median proportion of income spent on housing expenses by nonmortgage-holding homeowner households with one or more Social Security beneficiaries declined from 13.9 percent in 2005 to 12.4 percent in 2018 (Chart 12). Among nonbeneficiary households, the median proportion was 9.4 percent in 2005 and 9.0 percent in 2018.¹¹

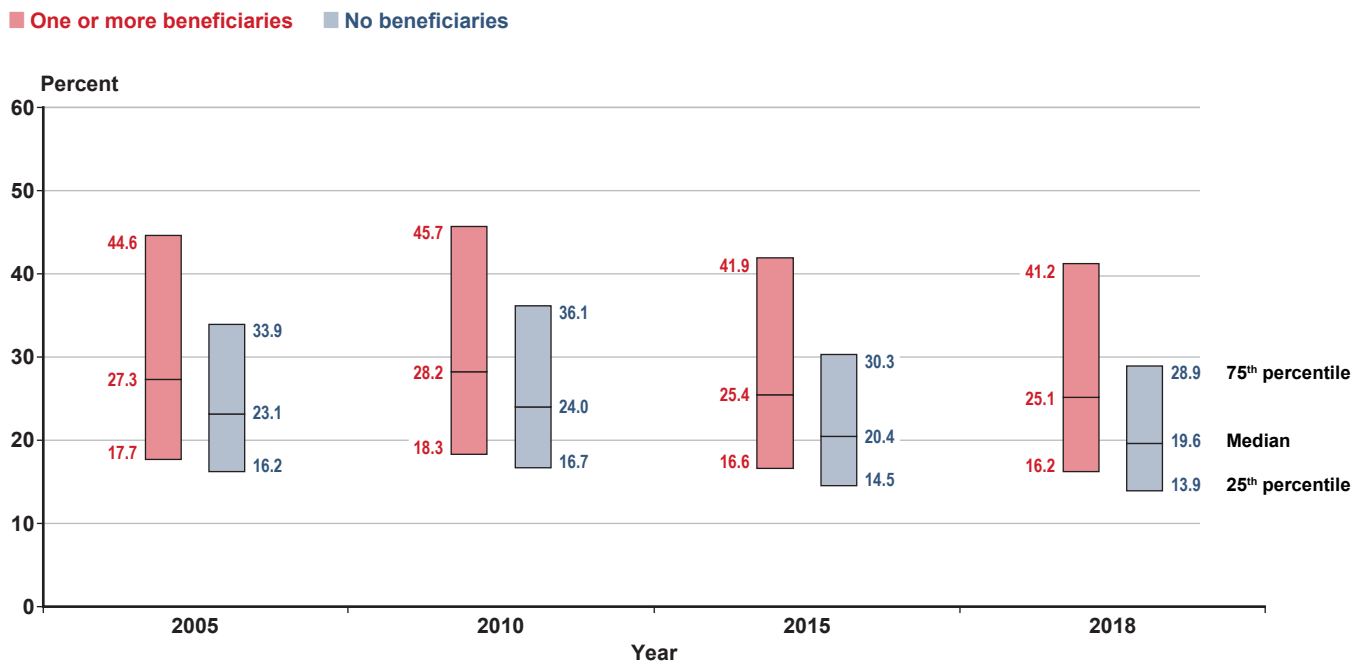
Among nonmortgage-holding homeowner households with at least one Social Security beneficiary, one-fourth spent 8.3 percent or less of household income on housing in 2005. By 2018, the 25th percentile expenditure-to-income ratio had declined to 7.3 percent. Among nonbeneficiary households, the 25th percentile proportion was 5.6 percent in 2005 and 5.3 percent in 2018. Among Social Security beneficiary nonmortgage-holding homeowner households, one-fourth spent at least 24.1 percent of income on housing in 2005. By 2018, the 75th percentile

expenditure-to-income ratio had declined to 22.0 percent. Among nonbeneficiary households, the 75th percentile expenditure-to-income ratio was 17.5 percent in 2005 and 17.4 percent in 2018.

In summary:

- In both 2005 and 2018, beneficiary households in all three tenure categories spent a greater proportion of income on housing expenses than did nonbeneficiary households.
- In both 2005 and 2018, renter households spent a larger proportion of household income on housing than did homeowner households. Homeowners with mortgages spent a larger proportion of income on housing than did homeowners without mortgages.
- The median housing expenditure-to-income ratio for renter households in which at least one person received Social Security benefits was 31.7 percent in 2005 and 32.5 percent in 2018.
- Among mortgage-holding homeowner households in which one or more people received Social Security benefits, the median proportion of income spent on housing declined from 27.3 percent in 2005 to 25.1 percent in 2018.
- Among homeowner households without mortgages in which one or more people received Social Security benefits, the median proportion of income spent

Chart 11.
Mortgage-holding homeowner households: Percentage of household income spent on housing at the 25th, 50th (median), and 75th percentiles, by presence of OASDI beneficiaries, selected years 2005–2018

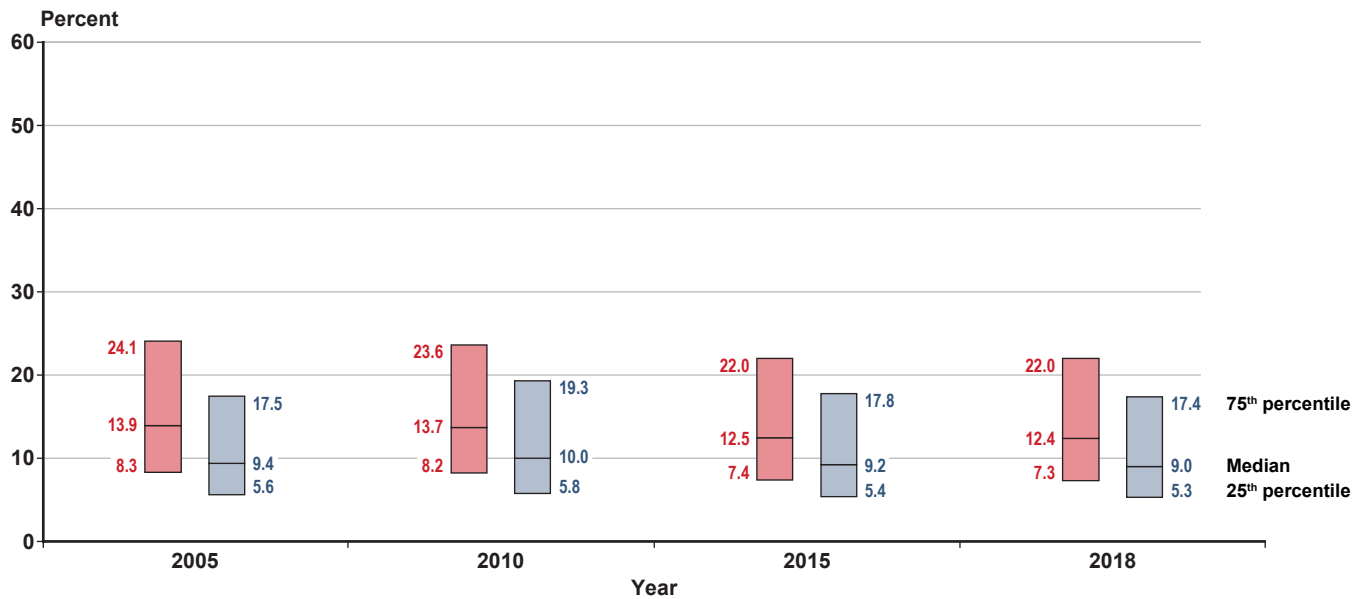


SOURCE: Author's calculations based on ACS data.

Chart 12.

Nonmortgage-holding homeowner households: Percentage of household income spent on housing at the 25th, 50th (median), and 75th percentiles, by presence of OASDI beneficiaries, selected years 2005–2018

■ One or more beneficiaries ■ No beneficiaries



SOURCE: Author's calculations based on ACS data.

on housing declined from 13.9 percent in 2005 to 12.4 percent in 2018.

Conclusion

This article documents trends in housing tenure, household income, and the proportion of income spent on housing expenses in selected years from 2005 to 2018, as reported in the ACS. During that period, the number of households in which at least one person received income from Social Security increased from 30.1 million to 38.3 million (27.3 percent), and the proportion of U.S. households with one or more Social Security beneficiaries rose from 26.2 percent to 31.5 percent. In 2018, 24.1 percent of the 38.3 million households in which at least one person received Social Security benefits were renter households, 31.8 percent were homeowners with mortgages, and 44.1 percent were homeowners without mortgages.

In both 2005 and 2018, the median income of homeowner households was higher than that of renter households, and the median income of households with mortgages was higher than that of homeowner households without mortgages. From 2005 to 2018, the real median income of renter households in which at least one person received Social Security benefits increased from \$21,730 to \$24,400 (12.3 percent). The

real median income of beneficiary households with mortgages increased from \$61,461 to \$66,000 (7.4 percent), and the real median income of nonmortgage-holding homeowner households with beneficiaries increased from \$39,217 to \$46,200 (17.8 percent).

Expenditures for housing consume a substantial proportion of household income, especially among renter households and mortgage-holding homeowner households. In renter households with one or more Social Security beneficiaries, the median share of income spent on housing was 31.7 percent in 2005 and 32.5 percent in 2018. One-fourth of renter beneficiary households spent 56.9 percent or more of income on housing in 2018. For mortgage-holding households with one or more Social Security beneficiaries, the median share of income spent on housing was 27.3 percent in 2005 and 25.1 percent in 2018. In 2018, one-fourth of mortgage-holding beneficiary households spent at least 41.2 percent of income on housing. The median proportion of income spent on housing by nonmortgage-holding homeowner households with one or more Social Security beneficiaries declined from 13.9 percent in 2005 to 12.4 percent in 2018; however, one-fourth of nonmortgage-holding beneficiary households spent at least 22.0 percent of income on housing in 2018.

Appendix A

Table A-1.

Renter households: Median percentage of household income spent on housing costs, by householder characteristics and presence of OASDI beneficiaries, selected years 2005–2018

Characteristic	2005	2010	2015	2018
All renter households	28.5	30.3	29.4	29.0
Households with one or more beneficiaries				
All	31.7	32.5	32.5	32.5
By householder—				
Age				
18–61	33.2	34.2	33.2	32.3
62–69	29.6	30.5	31.4	31.8
70 or older	31.9	32.7	32.6	33.2
Marital status				
Married couple	26.0	26.5	26.2	26.0
Unmarried male	31.7	32.8	33.0	33.1
Unmarried female	34.7	35.7	35.8	36.2
Race/ethnicity				
Single race, non-Hispanic				
White	30.7	31.9	31.4	31.7
Black	34.8	35.2	35.5	35.5
American Indian/Alaska Native	30.5	32.0	27.8	28.2
Asian/Pacific Islander	29.5	30.8	30.7	30.1
Two or more races, non-Hispanic	32.8	34.5	34.4	32.9
Hispanic origin, any race(s)	34.3	33.0	34.0	33.7
Households with no beneficiaries				
All	27.8	29.8	28.6	28.0
By householder—				
Age				
18–61	27.6	29.7	28.4	27.8
62–69	29.2	29.6	29.2	29.0
70 or older	40.0	42.0	48.3	52.1
Marital status				
Married couple	23.2	25.0	23.8	23.3
Unmarried male	25.8	28.0	27.0	26.7
Unmarried female	33.7	35.7	34.5	33.7
Race/ethnicity				
Single race, non-Hispanic				
White	25.2	27.2	25.7	25.3
Black	32.4	34.9	33.5	32.4
American Indian/Alaska Native	25.1	27.5	27.9	24.9
Asian/Pacific Islander	28.1	27.5	27.2	25.9
Two or more races, non-Hispanic	29.7	31.8	29.8	29.1
Hispanic origin, any race(s)	31.4	33.6	32.3	31.5

SOURCE: Author's calculations based on ACS data.

Table A-2.**Mortgage-holding homeowner households: Median percentage of household income spent on housing costs, by householder characteristics and presence of OASDI beneficiaries, selected years 2005–2018**

Characteristic	2005	2010	2015	2018
All mortgage-holding homeowner households	23.7	24.7	21.4	20.6
Households with one or more beneficiaries				
All	27.3	28.2	25.4	25.1
By householder—				
Age				
18–61	25.5	26.4	22.8	21.4
62–69	26.2	27.1	24.4	24.4
70 or older	31.0	31.6	29.0	28.3
Marital status				
Married couple	24.1	25.0	22.3	22.0
Unmarried male	32.2	33.3	30.7	30.1
Unmarried female	36.2	36.5	33.9	32.8
Race/ethnicity				
Single race, non-Hispanic				
White	26.3	27.3	24.7	24.5
Black	33.2	32.5	29.6	27.7
American Indian/Alaska Native	27.3	28.0	27.2	25.9
Asian/Pacific Islander	27.6	29.4	26.3	26.2
Two or more races, non-Hispanic	29.4	30.9	26.8	27.3
Hispanic origin, any race(s)	31.1	31.2	28.1	27.5
Households with no beneficiaries				
All	23.1	24.0	20.4	19.6
By householder—				
Age				
18–61	23.1	24.0	20.3	19.5
62–69	23.0	23.7	21.3	20.8
70 or older	39.7	43.2	40.6	36.8
Marital status				
Married couple	21.4	22.1	18.9	18.1
Unmarried male	26.1	27.4	23.2	22.3
Unmarried female	29.4	30.4	26.4	25.3
Race/ethnicity				
Single race, non-Hispanic				
White	22.0	22.8	19.5	18.6
Black	26.4	28.1	23.5	22.2
American Indian/Alaska Native	22.4	23.3	19.9	20.0
Asian/Pacific Islander	27.4	28.1	23.3	22.9
Two or more races, non-Hispanic	26.1	27.5	21.6	21.3
Hispanic origin, any race(s)	29.6	30.0	24.6	23.4

SOURCE: Author's calculations based on ACS data.

Table A-3.**Nonmortgage-holding homeowner households: Median percentage of household income spent on housing costs, by householder characteristics and presence of OASDI beneficiaries, selected years 2005–2018**

Characteristic	2005	2010	2015	2018
All nonmortgage-holding homeowner households	12.0	12.2	11.1	10.9
Households with one or more beneficiaries				
All	13.9	13.7	12.5	12.4
By householder—				
Age				
18–61	11.6	12.2	11.2	10.8
62–69	11.7	11.6	10.8	11.1
70 or older	15.2	14.9	13.6	13.3
Marital status				
Married couple	11.0	10.9	10.0	10.0
Unmarried male	15.0	15.2	14.2	14.2
Unmarried female	19.8	19.1	17.6	17.4
Race/ethnicity				
Single race, non-Hispanic				
White	13.7	13.5	12.4	12.3
Black	17.5	16.5	14.5	13.9
American Indian/Alaska Native	12.4	11.6	10.8	10.1
Asian/Pacific Islander	11.6	11.9	11.6	11.8
Two or more races, non-Hispanic	14.4	14.2	12.6	12.8
Hispanic origin, any race(s)	15.0	14.2	12.9	13.1
Households with no beneficiaries				
All	9.4	10.0	9.2	9.0
By householder—				
Age				
18–61	9.1	9.7	8.9	8.7
62–69	9.8	9.8	9.0	9.2
70 or older	21.0	21.9	21.3	20.2
Marital status				
Married couple	7.6	7.9	7.4	7.3
Unmarried male	11.3	12.5	11.5	11.3
Unmarried female	15.1	15.7	14.4	14.2
Race/ethnicity				
Single race, non-Hispanic				
White	8.9	9.5	8.8	8.6
Black	12.2	13.2	11.5	11.0
American Indian/Alaska Native	9.0	9.9	8.8	8.5
Asian/Pacific Islander	8.8	9.9	9.3	9.1
Two or more races, non-Hispanic	11.1	12.3	10.0	10.2
Hispanic origin, any race(s)	11.7	12.1	10.6	10.4

SOURCE: Author's calculations based on ACS data.

Notes

Acknowledgments: Thanks to Paul Davies, John Murphy, and Brad Trenkamp for helpful comments and suggestions.

¹ The Census Bureau defines the householder as the person (or one of the people) in whose name the housing unit is owned or rented.

² Out-of-pocket expenditures for health care consist of payments for (1) health insurance premiums and copayments, (2) medical services, (3) prescription and nonprescription drugs, and (4) medical supplies and equipment.

³ The Census Bureau conducts the CES for the Bureau of Labor Statistics (BLS). The CES consists of a diary survey and an interview survey, each with an independent sample. Diary survey respondents record all household expenditures for 2 consecutive weeks. Interview survey respondents are queried four times over the course of 12 months. Approximately 6,000 households complete the diary survey and about 6,000 households respond to the interview survey each quarter. BLS publishes results that integrate data from both surveys.

⁴ For information on the ACS Public Use Microdata Sample, see <https://www.census.gov/programs-surveys/acs/microdata.html>.

⁵ Social Security benefits are a significant source of income in many households. Although the ACS asks whether the respondent received income from Social Security in the previous 12 months, it does not ask the respondent to specify the type of benefit (retired worker, disabled worker, dependent, or survivor).

⁶ Percentages reported in the narrative are calculated using the more detailed values shown in the charts and tables.

⁷ The ACS asks separate questions about receipt of OASDI benefits and Supplemental Security Income (SSI) payments. Throughout this article, “Social Security beneficiaries” refers specifically to persons who received OASDI benefits, including those who received both OASDI and SSI. In other words, this analysis omits recipients of SSI payments (unless they also received OASDI benefits). In December 2017, 61.5 million people received OASDI benefits, including 2.7 million who received both OASDI and SSI. Another 5.5 million people received SSI alone (SSA 2018b). Some household survey respondents who received only SSI payments incorrectly reported that they received OASDI benefits. However, because the number of OASDI beneficiaries is much larger than the number of SSI recipients, any such reporting errors would have relatively little effect on the results presented here.

⁸ Economists treat repayment of mortgage principal as saving because it reduces household debt. Unlike the Consumer Expenditure Survey, the ACS does not collect data on expenditures for household maintenance or repairs.

⁹ Appendix Table A-1 shows median percentage of household income spent on housing for renters by presence of OASDI beneficiaries and householder demographic characteristics.

¹⁰ Appendix Table A-2 shows median percentage of household income spent on housing for mortgage-holding homeowners by presence of OASDI beneficiaries and householder demographic characteristics.

¹¹ Appendix Table A-3 shows median percentage of household income spent on housing for nonmortgage-holding homeowners by presence of OASDI beneficiaries and householder demographic characteristics.

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