WEALTH GAPS IN THE GOLDEN YEARS

Economic Insecurity for Older Adults in a High-Cost State

MAY 2025

BOSTON INDICATORS

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Boston Indicators is the research center at the Boston Foundation, which works to advance a thriving Greater Boston for all residents across all neighborhoods. We do this by analyzing key indicators of well-being and by researching promising ideas for making our city more prosperous, equitable and just. To ensure that our work informs active efforts to improve our city, we work in deep partnership with community groups, civic leaders and Boston's civic data community to produce special reports and host public convenings.

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ACKNOWLEDGMENTS

The authors are grateful to the following people and organizations for their invaluable contributions: Marisol Amaya and Julieta Crespo, La Alianza Hispana; James Fuccione, Massachusetts Healthy Aging Collaborative; Jacqueline Linton, Central Boston Elder Services; Siyan Liu, Center for Retirement Research at Boston College; Jan Mutchler, University of Massachusetts Boston; Emily Shea, City of Boston's Age Strong Commission; Union Capital Boston.

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INTRODUCTION

Across the nation, many older adults struggle to make ends meet. The Elder Index, produced by the Gerontology Institute at UMass Boston, suggests that roughly 30 percent of older households have incomes below the level needed to meet basic needs and age in place.[1] And the picture is hardly more sanguine for future cohorts—the most recent National Retirement Risk Index, produced by the Center for Retirement Research, predicts that 40 percent of today's working-age households are at risk of having insufficient income to maintain their standard of living in retirement (a slightly higher bar than the Elder Index).[2]

It is not clear, however, how Massachusetts compares to the nation in terms of retirement security. On the one hand, Massachusetts is a high-income, high-wealth state—for example, in 2024, the average salary for prime-age workers was 25 percent higher in Massachusetts than in other states.[3] And older households in Massachusetts are more likely to be White and more likely to have a college degree than older households nationally, factors that are both associated with greater financial stability.[4] On the other hand, Massachusetts has an extraordinarily high cost of living and persistent economic inequality, making low-income seniors and those of color particularly vulnerable in retirement.

This mixed-methods project—a collaboration between Boston Indicators and the Center for Retirement Research—examines financial security for retirees in Massachusetts. We are releasing it as part of the Boston Indicators racial wealth equity research series, which is in its third year. The report is structured in two sections.

1

PART 1, authored by Laura Quinby at the Center for Retirement Research, sets the scene by using the *Survey of Income and Program Participation* (SIPP) to explore the sources of income and wealth available to older households in Massachusetts; estimate the share of older households unable to meet basic expenses; and document racial disparities in retirement security. Results for Massachusetts are compared to the rest of the U.S. to show where Massachusetts leads and where improvement is warranted. Key findings from this analysis include:

- **Wealth among older households in Massachusetts is high, but it is unevenly distributed.** The top third of older households in Massachusetts holds over $3.5 million in wealth on average, while the bottom third averages just over $50,000. This inequality mirrors national patterns, though overall wealth levels in Massachusetts are higher.
- **Income is less unevenly distributed than wealth, and low-wealth older households in Massachusetts are only modestly better off than elsewhere.** Older households who fall into the bottom third in terms of wealth earn only slightly more than bottom-third households in other states—roughly $34,000 per year on average.
- **When adjusted for cost of living, a large share of older households in Massachusetts cannot meet basic needs.** Roughly 80 percent of low-wealth older households in Massachusetts have income less than what it takes to age in place, as measured by the Elder Index, compared to 63 percent nationally. Even among all older households in the Commonwealth, 41 percent fall below this threshold.
- **Racial disparities in resources are especially severe for older households in Massachusetts.** Nearly three-quarters (74 percent) of non-White older households in Massachusetts fall into the bottom third of the state's senior wealth distribution, compared to just 54 percent in other states. Furthermore, 76 percent of these households in Massachusetts lack sufficient income to age in place, while only 52 percent of their counterparts elsewhere face similar challenges.

2

PART 2, authored by Kelly Harrington and Luc Schuster at Boston Indicators, focuses just on low-income older households, conducting semi-structured interviews in the Greater Boston area to get a better sense of how these households make ends meet and the barriers that they face in doing so. Key findings from this analysis include:

- **Social Security is a lifeline, with most relying on it as their primary or sole source of income.** Most low-income older households rely primarily, and often entirely, on Social Security to cover their expenses. Yet benefits are hardly enough to make ends meet in a high-cost area like Massachusetts.
- **Retirement savings and pensions are limited or depleted.** Few low-income older adults had pensions or retirement savings to draw from, and many who once had 401(k)s had to spend them early due to emergencies, job loss, or family needs.
- **Many older adults must adjust to a lower standard of living in retirement.** Many seniors described living more modestly than they did during their working years, adjusting to lower incomes and reduced spending power. Even those meeting day-to-day needs often felt that one unexpected cost could jeopardize their sense of security.
- **Subsidized housing is a lifeline for many seniors.** One of the ways in which some low-income older adults make ends meet in a high-cost city like Boston is securing subsidized housing so that they don't have to pay the full cost of market-rate housing. In fact, a strong majority of our interviewees lived in some form of subsidized housing.
- **Other public benefits are essential.** Programs like Supplemental Security Income, SNAP, housing subsidies, and MassHealth help many older households meet basic needs, but strict income and asset limits discourage emergency saving, and benefit levels often don't reflect the true cost of living.
- **Older adults are resourceful but constrained.** Participants described budgeting carefully, leaning on debt and relying on informal networks. The views shared highlight the gap between basic needs and achieving true stability, with many still facing financial precariousness despite covering day-to-day expenses.

PART I: QUANTITATIVE ANALYSIS

Massachusetts is a high-income, high-wealth state—but it's also a state marked by high costs and persistent economic inequality. To better understand how that inequality plays out later in life, this section explores key questions about the financial security of older adults: How much wealth and income do older households have, and how does that compare to older households in other parts of the country? How far does that income go once the high cost of living in Massachusetts is taken into account? And given the well-documented racial disparities in other areas of economic life, how large are the racial disparities in financial security among older households?

By examining wealth and income distributions alongside a basic sufficiency standard, this analysis aims to better understand the extent to which older households in Massachusetts can afford to meet their basic needs and age in place.

Specifically, the analysis proceeds in three stages. The first stage documents the financial resources available to older households in Massachusetts and compares those outcomes with other states. The second compares older households' financial resources to the local cost of living to estimate the share of households unable to pay for their basic needs. The third replicates this analysis for different racial and ethnic groups.

Financial resources of older households in Massachusetts compared to nationally

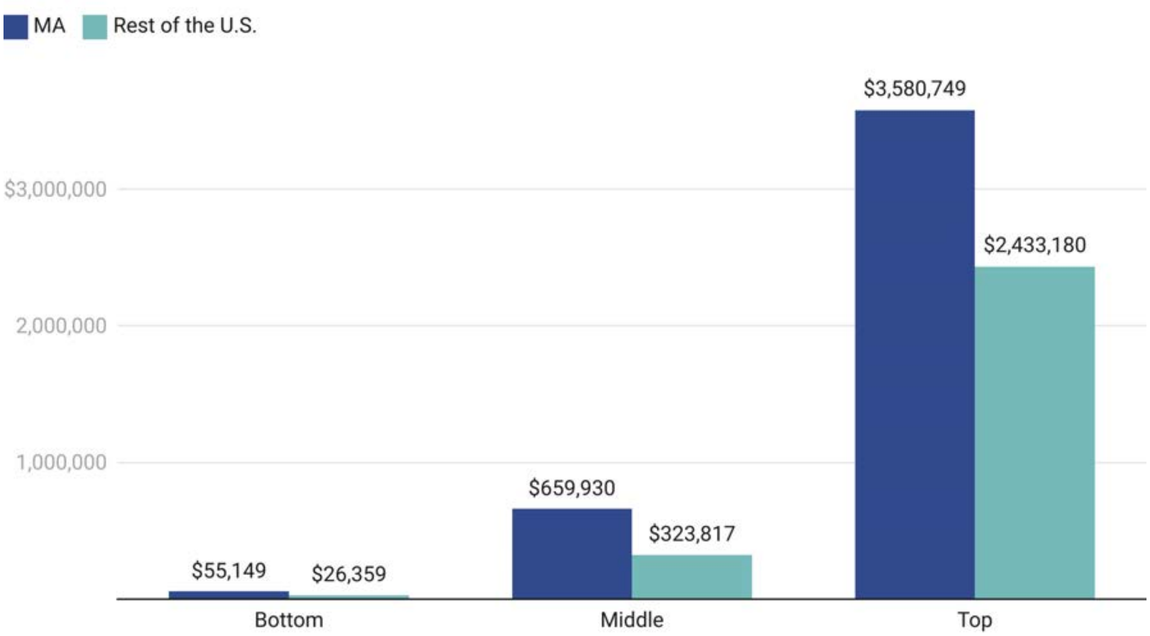
To begin, we compare the distribution of wealth (assets minus debt) for older households in Massachusetts with the rest of the U.S. The analysis in figure 1, and throughout this section, uses data from the 2019-2023 waves of the *Survey of Income and Program Participation* (SIPP).[5] The SIPP has very detailed information on the value of the house, financial assets held in retirement accounts and other vehicles, business ownership, and other non-financial assets, as well as mortgage and other debt.[6] Crucially, it also has state indicator variables and sufficient sample size to examine Massachusetts specifically.[7] Each SIPP wave captures households' financial resources during the previous calendar year. In order to avoid transitory impacts of the COVID-19 pandemic—disruptions to data collection in 2020 as well as temporary financial shocks during that year reflected in the 2021 wave—the analysis focuses on the 2019, 2022, and 2023 waves of the SIPP (i.e., financial outcomes in 2018, 2021, and 2022). The final sample of older households—those with a head over age 65—includes 345 households in Massachusetts and 20,522 households in other states.[8] Throughout Part 1 of the report, the analysis divides older households into thirds (terciles) based on total wealth and shows the results separately for each third.[9]

Two points stand out from this analysis. First, as expected, older households in Massachusetts are wealthier than their counterparts in other states (see **Figure 1**). Even the bottom third of older households in Massachusetts have twice the resources, on average, as the bottom third in other states. Yet, the distribution of wealth is highly skewed, with the bottom third of older households in Massachusetts having just over $50,000, on average, and the top third over $3.5 million.

In Massachusetts, the distribution of wealth is highly skewed, with the bottom third of older households having just over $50,000, on average, and the top third over $3.5 million.

Figure 1. Older households in Massachusetts are relatively wealthy, but that wealth is distributed unevenly.

Average Wealth of Households Ages 65+, by Wealth Tercile, 2018, 2021, and 2022, in 2022 Dollars



Note: Wealth is calculated as the total value of housing, financial assets, businesses, and durable properties, minus mortgage and other debt. The values in this figure represent an average of the 2018, 2021, and 2022 calendar years, in real 2022 dollars.

Source: Author's estimates from the Survey of Income and Program Participation (2019-2023). • Created with Datawrapper

Real estate is the largest asset for low-wealth older households, though many still carry mortgage debt.

Since the next section of this report will take a deeper look at the most vulnerable households, **Table 1** focuses on wealth for the bottom third of older households in Massachusetts, as well as nationally, and breaks wealth into its components. The largest asset for these households is their house, although many still carry mortgage debt. Low-wealth older households in Massachusetts also have a modest amount of savings (financial assets minus non-mortgage debt), in contrast to their counterparts in other states who hold more debt than financial assets, on average. Part of the reason for these low levels of financial assets is a lack of retirement plan coverage during working years—only about half of all workers participate in an employer-sponsored retirement plan at any given moment, with low-earners even more unlikely to have a plan.[10]

Table 1. Low-wealth older households in Massachusetts have more financial wealth, on average, than their counterparts elsewhere.

Average Sources of Wealth for Households Ages 65+ in the Bottom Wealth Tercile, 2018, 2021, and 2022, in 2022 Dollars

	MA	Rest of the U.S.
Number of Observations	115	6,724
Assets	**$82,012**	**$59,397**
Real estate	$46,108	$35,702
Financial assets	$23,253	$9,732
Other	$9,414	$10,593
Liabilities	**$26,863**	**$33,038**
Mortgage	$19,566	$16,751
Other debt	$7,298	$16,286

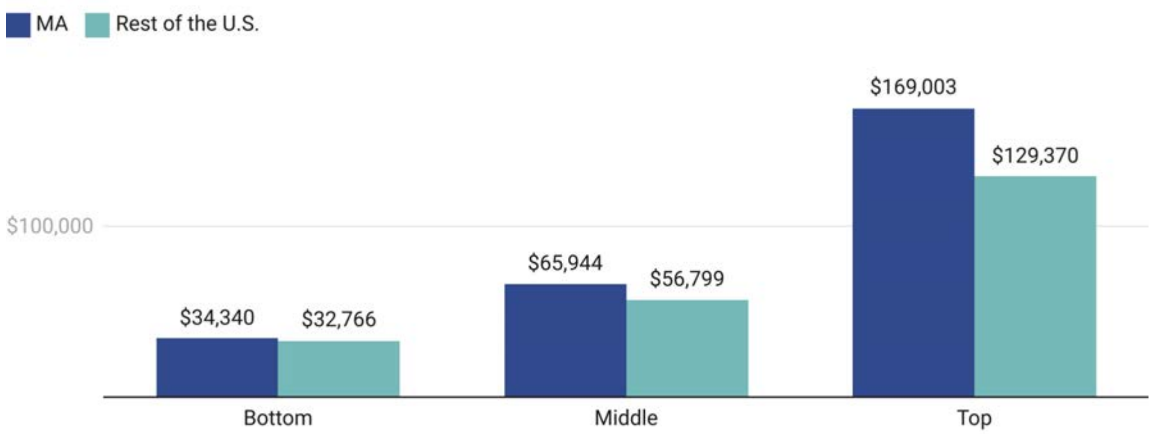
Note: Wealth is calculated as the total value of housing, financial assets, businesses, and durable properties, minus mortgage and other debt.

Source: Author's estimates from the Survey of Income and Program Participation (2023). • Created with Datawrapper

Interestingly, however, large disparities in wealth do not always translate into similar gaps in income. Here, the analysis focuses on labor earnings, Social Security, income from investments, defined benefit pensions, withdrawals from 401(k)s and IRAs, Supplemental Security Income (SSI), other government transfers (such as VA benefits), and other private sources (such as transfers from family or friends). **Figure 2** compares average annual income for older households at various points of the wealth distribution. While income is higher in Massachusetts than in other states, on average, the differences are relatively modest. For example, older households in Massachusetts who rank in the bottom third in terms of wealth have twice as much wealth as their counterparts in other states (Figure 1) but have only 5 percent more income.[11] Ultimately, the modest financial cushion held by low-wealth older households in Massachusetts does not produce a meaningful stream of retirement income. And at the upper end of the wealth distribution, prior studies have shown that households are reluctant to draw down their savings due to concerns about future long-term care needs and/or bequest motives.[12]

Figure 2. The income distribution for older households is less skewed than the wealth distribution.

Average Income of Households Ages 65+, by Wealth Tercile, 2018, 2021, and 2022, in 2022 Dollars



Note: Annual income includes earnings, investment income from financial assets and properties, Social Security benefits, income from pensions and withdrawals from defined-contribution accounts, and other income, including business, rental, alimony, and government transfers. Extraordinary lump-sum payments are excluded from income. The values in this figure represent an average of the 2018, 2021, and 2022 calendar years, in real 2022 dollars.

Source: Author's estimates from the Survey of Income and Program Participation (2019-2023). • Created with Datawrapper

Looking at sources of income for low-wealth older households, Social Security and labor earnings comprise the majority of inflows.[13] As discussed previously, income from employer-based retirement plans—either traditional defined benefit pensions or defined contribution accounts such as 401(k)s and IRAs—is much less important for low-wealth households. Indeed, government transfers (reflected in the "other income" category in **Table 2**) are just as important as retirement plan income for this group. Moreover, government transfers in Table 2 may also be underestimated as the SIPP only captures cash transfers like SSI and ignores in-kind benefits such as housing subsidies or food pantries.

Table 2. Low-wealth older households are reliant on Social Security and labor earnings.

Average Sources of Income for Households Ages 65+ in the Bottom Wealth Tercile, 2022

	MA	Rest of the U.S.
Number of Obs.	115	6,724
Labor earnings	$9,030	$6,599
Capital income	$108	$100
Social Security	$15,549	$16,974
Retirement (Employer pension and DC withdrawals)	$4,673	$5,359
Other	$4,389	$3,491

Note: Annual income includes earnings, investment income from financial assets and properties, Social Security benefits, income from pensions and withdrawals from defined-contribution accounts, and other income, including business, rental, alimony, and government transfers. Extraordinary lump-sum payments are excluded from income.

Source: Author's estimates from the Survey of Income and Program Participation (2023). • Created with Datawrapper

Evaluating older households' financial resources against local cost of living

The story changes substantially once cost of living is taken into account. In fact, the modestly higher income enjoyed by low-wealth older households in Massachusetts is more than offset by our higher cost of living, making many older households in the state worse off than elsewhere in the country.

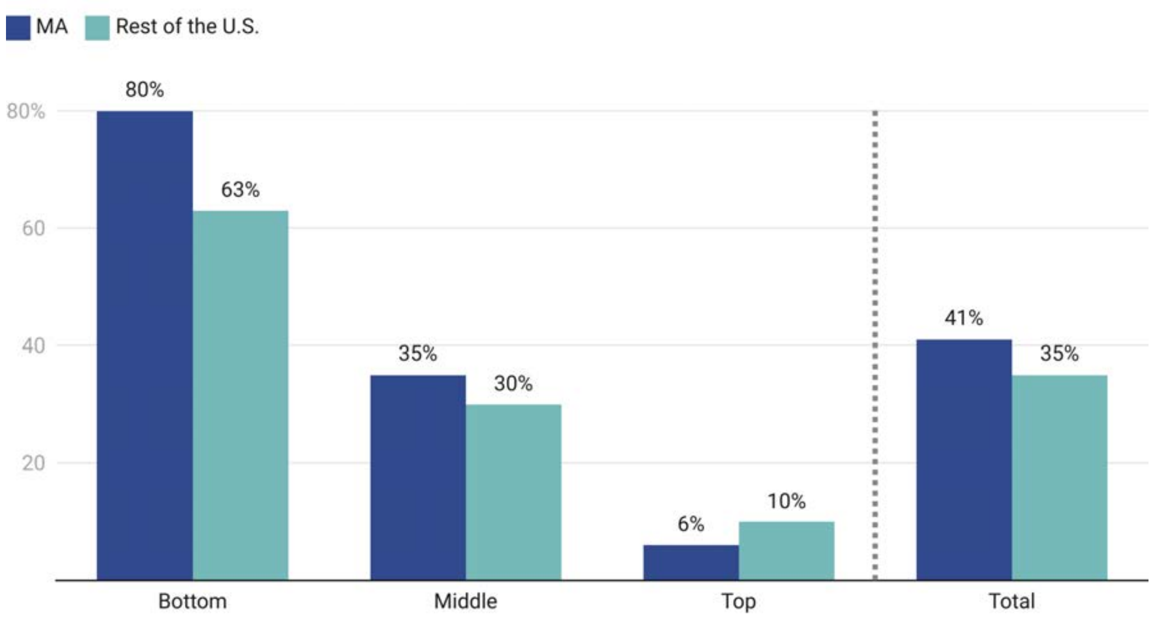
The analysis in this section compares each household's income to a sufficiency budget to estimate the share of households unable to cover basic expenses. The sufficiency budget comes from the Elder Index, which is produced by the Gerontology Institute at the University of Massachusetts Boston. The Elder Index measures the amount of disposable income necessary to age in place in the household's county of residence.[14] Hence, it includes costs such as groceries, housing, transportation, and health expenses (although it omits long-term services and supports).[15] In addition to geography, the Elder Index varies according to the characteristics of the household, namely marital status (single/couple/partnered); home ownership status (owner/renter); outstanding mortgage (mortgage/no mortgage); and self-reported health status (excellent/good/poor).

In practice, assessing the share of households falling short requires three intermediate steps. First, since the Elder Index is a post-tax concept, the analysis estimates the federal and state income tax burden faced by each older household in the SIPP and subtracts those taxes from reported income. Tax liabilities are estimated using the statistical software TAXSIM, developed by the National Bureau of Economic Research.[16] Then, the analysis aggregates the county-level Elder Index up to the state level by taking an average within each state, weighted by the county population. Lastly, the analysis matches SIPP households with the Elder Index based on state, marital status, homeownership and mortgage status, and health status.[17] Comparing post-tax income with the Elder Index sufficiency budget yields the share of older households falling short.

Ultimately, **Figure 3** suggests that a full 80 percent of low-wealth older households in Massachusetts have insufficient income according to the Elder Index.[18] In contrast, only 63 percent of low-wealth older households fall short elsewhere in the country. The share drops sharply to 35 percent for middle-wealth households in Massachusetts—not meaningfully higher than other states—and only 6 percent for high-wealth households. Overall, 41 percent of older households in Massachusetts (and 35 percent in the rest of the U.S.) have insufficient income to meet their basic needs and age in place.

Figure 3. A high proportion of low-wealth older households in Massachusetts lack sufficient income to meet their basic needs and age in place.

Share of Households Ages 65+ with Income Below the Elder Index, by Wealth Tercile, 2018, 2021, and 2022



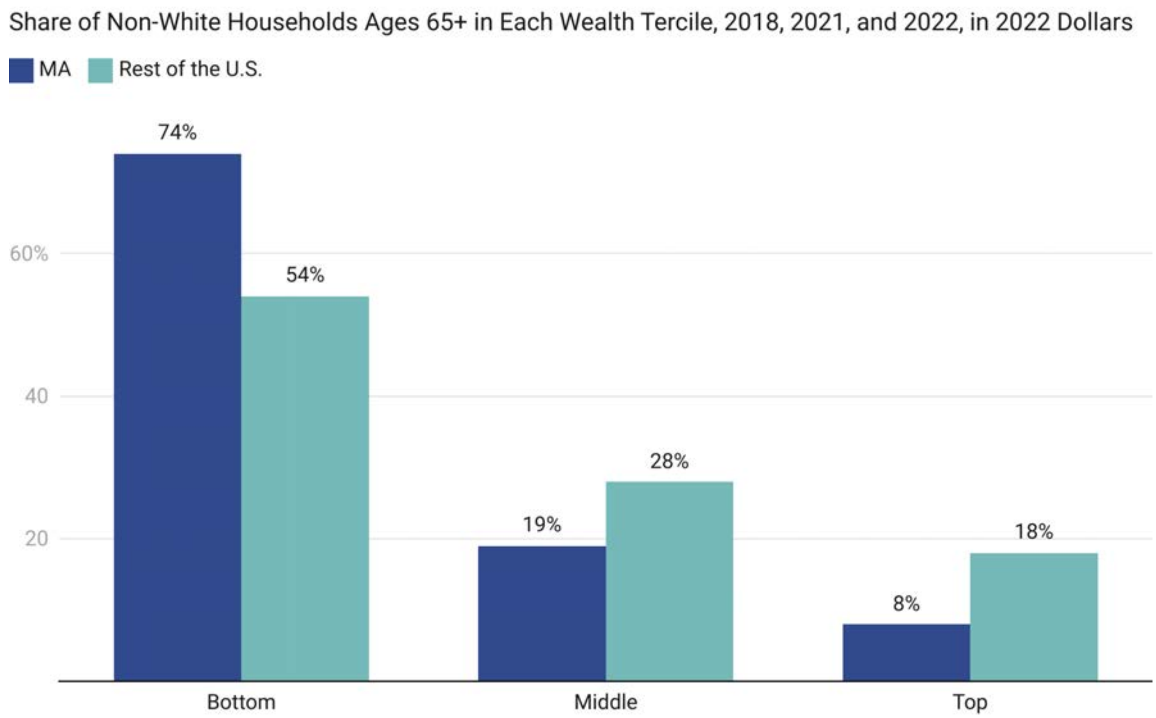
Note: A household falls short if it has an annual post-tax income below the Elder Index. The values in this figure represent an average of the 2018, 2021, and 2022 calendar years.

Source: Author's estimates from the Survey of Income and Program Participation (2019-2023), the Elder Index (2018-2022), and TAXSIM (2025). • Created with Datawrapper

Racial and ethnic disparities in older household financial resources

The burden posed by Massachusetts' high cost of living hits older households of color particularly hard. As shown in **Figure 4**, 74 percent of non-White older households in Massachusetts fall into the bottom third of the Commonwealth's senior wealth distribution, compared to only 54 percent in other states. Due to sample size limitations, we present the analyses in Figures 4 and 5 for "non-White" households broadly grouped together, but the disparity increases when looking at just Black and Hispanic households (since the very small SIPP sample of Asian and Pacific Islander households in Massachusetts seems to have higher wealth). Specifically, we estimate that roughly 89 percent of older Black and Hispanic households are in the bottom third in Massachusetts, compared to 58 percent in other states.

Figure 4. Older households of color are far more likely to have low wealth.



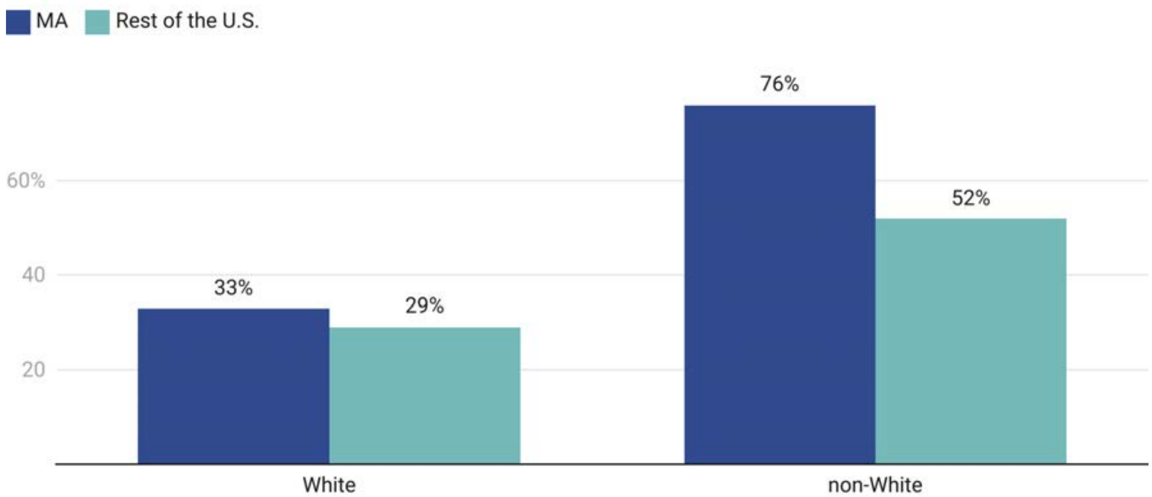
Note: Wealth is calculated as the total value of housing, financial assets, businesses, and durable properties, minus mortgage and other debt. The values in this figure represent an average of the 2018, 2021, and 2022 calendar years.

Source: Author's estimates from the Survey of Income and Program Participation (2019-2023). • Created with Datawrapper

Similar concerns emerge when comparing incomes of non-White older households to the Elder Index sufficiency budget. As shown in **Figure 5**, more than three-quarters of non-White older households in Massachusetts (76 percent) have disposable income below the Elder Index, compared to 33 percent of White households. This share is much higher than the rest of the U.S., where only 52 percent of non-White older households fall short (and 29 percent of White households).

Figure 5. Three-quarters of non-White older households in Massachusetts fall below the Elder Index sufficiency budget, a higher share than nationally.

Share of Households Ages 65+ with Income Below the Elder Index, by Race, 2018, 2021, and 2022



Note: A household falls short if it has an annual post-tax income below the Elder Index. The values in this figure represent an average of the 2018, 2021, and 2022 calendar years.

Source: Author's estimates from the Survey of Income and Program Participation (2019-2023), the Elder Index (2018-2022), and TAXSIM (2025). • Created with Datawrapper

Unsurprisingly, Massachusetts' high cost of living particularly affects older Black and Hispanic households. As **Table 3** shows, 92 percent have post-tax income below the Elder Index, compared to only 33 percent of older White households and 29 percent of other households of color (predominantly Asian and Pacific Islander, although the sample size is much too small to draw firm conclusions). This outcome is much worse than the rest of the U.S., where only around 54 percent of older Black and Hispanic households fall short of the Elder Index.

The question, of course, is how low-income older households are able to make ends meet in such an expensive state. The next section explores that question.

Massachusetts' high cost of living particularly affects older Black and Hispanic households.

Table 3. The vast majority of older Black and Hispanic households in Massachusetts fall below the Elder Index sufficiency budget.

Share of Households Ages 65+ Falling Short, by Race and Ethnicity, 2018, 2021, and 2022

	MA		Rest of U.S.	
	Number of Obs.	Share	Number of Obs.	Share
White	293	33%	15,912	29%
Non-White	52	76%	4,610	52%
Black/Hispanic	42	92%	3,605	54%
Other	10	29%	1,005	46%
Total	345	41%	20,522	35%

Note: A household falls short if it has an annual post-tax income below the Elder Index. The values in this table represent an average of the 2018, 2021, and 2022 calendar years.

Source: Author's estimates from the Survey of Income and Program Participation (2019-2023), the Elder Index (2018-2022), and TAXSIM (2025). • Created with Datawrapper

PART II:
QUALITATIVE ANALYSIS

While the quantitative analysis in Part 1 provides a broad, representative picture of income and wealth among older households in Massachusetts—and allows for meaningful comparisons across race and geography—it doesn't capture the day-to-day realities of those living with few financial resources. What does life look like for seniors with little or no wealth? How do they make ends meet in a high-cost state like Massachusetts? And what strategies do they use to stay afloat? This second section of the report, then, draws on in-depth interviews with low-income older adults, most of whom live in Boston, to explore answers to these more nuanced questions.

To do this, we conducted 29 interviews with Massachusetts seniors aged 65 and older, most of whom live in Boston and immediate suburbs and have an annual household income of $50,000 or less. We defined "low-income" as those with a household income of $50,000 or less based on our analysis of SIPP data, which shows that the average income for Massachusetts households age 65+ in the bottom third of the wealth distribution has been $34,340 over the past few years. We rounded up to $50,000 to capture households below and just above the Elder Index threshold for what it takes to make ends meet in Massachusetts, which is in the low $40,000s depending on household size.

To recruit older adults for interviews, we reached out to local senior-serving nonprofits, who distributed study flyers and factsheets and provided guidance for interested participants on how to sign up. We also presented at a community meeting, where we recruited most of our participants.

The interviews were one-hour conversations, either by phone or in person, conducted in English or Spanish. They followed a set of predetermined questions to guide the discussion. Participants were compensated with a gift card for their time.

Of the 29 interviews, 22 were conducted in English and seven in Spanish. Participants' ages ranged from 66 to 90 years, with a median age of 69. All participants live in the Greater Boston area, with 26 living in the city of Boston across a range of neighborhoods, including Dorchester (11), Roxbury (4), Hyde Park (3), Mattapan (3), Fenway (2), Brighton (1), South Boston (1), and one Boston-based participant from an unspecified neighborhood. Three participants live in inner-ring suburbs of Boston. The majority (22) of participants identify as Black, two as Latino, two as Dominican, one as White, and two participants preferred not to answer. Two participants were men, and the remainder were women. Annual household incomes range from $7,200 to $50,000, with a median of $20,369.

Our recruitment approach resulted in a relatively narrow participant sample. In part, this was intentional: We focused on low-income Black and Latino older adults, whose financial challenges stood out in the quantitative analysis and whose voices we wanted to center in this qualitative work. At the same time, our sample ended up being narrower than we would ideally prefer. By primarily drawing participants from two nonprofit organizations, we ended up with a group that shares many common characteristics, such as being predominantly Black (76 percent) and concentrated in the southeastern neighborhoods[19] of Boston (76 percent). Because we recruited participants through nonprofit organizations serving older adults in Boston, we were more likely to hear from individuals already connected to support networks. As a result, we may have missed perspectives from low-income seniors who are more isolated from these systems or who rely on different coping strategies, such as living with adult children in the suburbs. Our sample also lacks representation from men and from older adults over age 80, who may be less likely to participate in community-based recruitment efforts. While the perspectives we gathered offer deep insight into the experiences of a specific and important group, we acknowledge these limitations and note where they may influence our findings.

So, what did our interviews find?

Low-income, low-wealth seniors rely heavily on Social Security.

Though the interviews focused on experiences and perspectives, we also surveyed older adults on their primary sources of income and financial support. These included sources of income like Social Security, work, and pensions, as well as drawing down retirement savings.

As we discuss in Part 1, low-income, low-wealth households are less likely to have employer-based retirement plans—either defined contribution plan assets, such as 401(k) and IRAs, or traditional defined benefit pensions. Among the group we interviewed, only two currently held 401(k) retirement savings to draw from, one held an IRA, and none held a 403(b).

Several other older adults reported having 401(k) savings earlier in life, but they had been forced to withdraw from these accounts prior to retirement. Some seniors talked about having so little savings that they went through it quickly, others used it to help family members in need, while others used it during emergencies.

> ***"So, when I retired or stopped working for them, I went through what I had in there [in a 401(k)], and that was going back into the early '90s, because I needed it."***

> ***"Because I helped with family members, you know, I took out my 401(k).... I'm a retired teacher, you know. So it's, it's hard, it is really, really hard."***

> ***"I did but.... I used the money to help myself and the kids because we lost everything [in the fire]. Yeah, I had to depend on that."***

Even fewer (4) participants had pensions from their past jobs or those of their spouse. Seniors with pensions that we interviewed talked about how back when they were working, it was common for workers to forgo retirement savings if they had a pension. One participant explained, "*During that time you didn't save to retire. That's what the pension was for.*"

That said, the level of stability reported by interview participants with a pension varied. One participant with a pension reported that the pension and the investments by her union gave her good financial stability, receiving health and dental insurance through her former teacher's union. Meanwhile other participants talked about just being able to get by on their pension, explaining, "*I'm not begging, that's what I'll say. Sure, I don't get everything, but I'm thankful. I'm here. I pay my rent out of my pension. I get my food out of my pension. And I pay my light bill out of my pension.*" Another participant reported that their pension income is so minimal that the amount they receive in Social Security winds up being more.

At least one of these pensioners had spent only part of their career in a pension-holding job, likely not long enough to qualify for full retirement benefits, or become "vested," which may explain why they couldn't support themself on their pension. With no savings or pension, many other participants relied on Social Security as their primary source of income.

While Social Security isn't intended to fully replace other sources of income for most older adults, for very low-income seniors, it was designed to replace up to 90 percent of income. A Social Security Administration analysis of administrative data indicates that today 14 percent of seniors fall into this group. Within our sample, over half (17) relied solely on Social Security income. It became clear that many older adults were unclear about what type of Social Security they were receiving, and some also mixed it up with public benefit programs like Supplemental Security Income (SSI). We did our best to discern which programs seniors were referencing.

As we heard from some of the seniors we interviewed, the heavy reliance on Social Security illustrates both the essential role of this public benefit and the precariousness they face in the absence of other financial resources. One older adult talked about still working part-time to compensate: *"My income that I get from Social Security, I don't think is enough for me to pay my bills, for my car, my car insurance, life insurance, all that. I have to work."*

According to our analyses of the SIPP compared to the Elder Index, adults in Massachusetts aged 65 or older in the bottom third of the wealth distribution need at least $39,473 annually to meet their basic living costs (see Appendix Table A3), but the average Social Security income for seniors in this demographic is $15,549 (see Table 2, page 13). This means that older adults relying solely on Social Security would come up $23,924 short every year.

Getting by on Social Security alone is especially tough in a high-cost-of-living city like Boston, and as a result, some seniors wind up working past age 65. Of the group we spoke with, one was working full-time and three were working part-time. However, some older adults said they continue to work not only for financial reasons, but also because they want to keep busy or because they feel called to help their community.

Many seniors we spoke with had to retire early due to disability or other health issues, eliminating the option of working past age 65 (or in some cases even up to age 65). These older adults, along with others who rely solely on Social Security, find other ways to meet their basic needs, largely through reliance on means-tested public programs. Seniors receiving benefits talked about how for some of them relying on public benefits is a shift in lifestyle, but how grateful they are that the benefits are in place for them now that they need them.

> ***"You know, we're living again, a very subsidized life, and this is what it has come to. It hasn't always been like that... but these are different times now for us in my health and age, and this is working for us."***

> ***"For people that really need it, it's such a blessing to have those kind of resources in place."***

Nearly all the seniors in our sample receive Supplemental Nutrition Assistance Program (SNAP) benefits, MassHealth, and for transportation many rely on the RIDE, which is the Massachusetts Bay Transportation Authority's (MBTA) paratransit service. Two also received SSI in addition to Social Security retirement income. About a third of participants also received some type of housing subsidy. While these benefits help cover basic needs, they don't always ensure true financial security. Family assistance is also a source of support, but less prominently than public benefits. We'll dig into these issues in more detail later in the report.

Many older adults end up with a lower standard of living while in retirement.

The transition from working life to retirement brings significant financial and psychological adjustments, as seniors shift from a period of financial flexibility to one of careful budgeting and restraint. Many described how, when they were working, they spent more freely. Many remarked on that change in their approach to their resources.

> ***"When I was working, it was different, because I'd spend, spend, spend, spend, spend. I didn't care, because I knew I had money coming in. But now that I'm not working...I gotta slow down."***

> ***"Back when I was working... I saved a lot, but I spent a lot and I was more freely."***

The shift to a reduced income forces retirees to adjust their spending habits, cutting back on non-essential purchases and even lowering their standard of living to make ends meet. Some retirees describe the challenge of learning to differentiate between necessary and discretionary expenses, as one person shares: *"I just retired in December, so I'm just going into being retired. For me, it's like just learning how to separate spending when I don't need to spend, only spend when I have to."* For others, expenses that were once manageable—like dining out or traveling—can become difficult choices, weighed against necessities like housing, health care, and utilities. As one person put it, *"I had everything I wanted, everything I needed, or anything I wanted to buy, but, you know, I understand that's no longer there anymore."*

Retirement isn't just a financial adjustment—it's also a shift in mentality. For those who once had financial security but have seen their circumstances change, there can be a sense of loss and reluctance to accept help. One person described this shift, saying, *"Some people have been on that pedestal and all of a sudden they're not on the pedestal anymore. Or for somebody that's had [it] and it's crumbled away, then they're going to shy away from it."* This change in status can make it difficult to seek assistance, even when needed. As this individual explains, they have even turned down food pantry offerings, feeling that others might need it more. This speaks to the emotional and psychological impact of financial instability in retirement—not just the struggle to afford necessities, but the challenge of adjusting to a new reality and reshaping one's sense of pride and self-sufficiency.

Subsidized housing is a lifeline for many older adults.

One of the key ways in which some low-income seniors make ends meet in a high-cost city like Boston is securing subsidized housing so that they don't have to pay the full market rate. In fact, a strong majority of our interviewees lived in some form of subsidized housing. It appears that most are in housing where rents are set at a percentage of income (i.e., Section 8 and public housing), helping ensure that those households are not housing cost burdened. It's worth noting that some seniors seemed confused about exactly what type of subsidized housing they have, and so the categories reported in **Table 4** are clustered based on the language recipients used, even though in some cases they don't precisely identify the exact type of subsidized housing that they're living in.

For many older adults, access to affordable housing through subsidies is the primary strategy for avoiding homelessness and managing their finances. One person explained, *"I must maintain having a roof over my head, because being homeless is not a joke. So my first priority will be making sure, if I don't do anything else, I make sure my rent is paid."* For seniors with low incomes, subsidized housing provides a lifeline, ensuring they can secure stable living conditions and avoid falling into financial distress.

Subsidized housing is invaluable for those who get it, but others find themselves caught in an income gap—earning too much to qualify for low-income housing, but too little to afford market-rate units. One person expressed their frustration: *"Forget all this senior housing stuff. What kind of job would you have had that now you're going to pay more than you would pay for a mortgage to live in an apartment building, and they're really expecting seniors to be able to afford these units. So I guess my issue with this is, why are they making so many units so expensive for seniors? It's not helping people like myself and others that retire."* Others described the long and uncertain waitlists for subsidized housing, saying, *"You just have to be hopeful and say, you're going to get called, you're going to get picked for the lottery. But, you know, there's thousands of applications that go into a lottery."*

Table 4. Housing types of interview participants.

Total subsidized housing	**20**
Section 8	9
Public housing	4
Other subsidized housing	5
Subsidized housing - senior	2
Total market rate	**9**
Own	5
Market rate rent	2
Lives with child (own)	2

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For the older adults who own their homes, holding onto their property remains a critical priority—not only because mortgage payments may be more affordable than rent, but also because homeownership represents a long-term investment for their families. One homeowner explained,

> ***"What do I need with a one-family house? But right now, when I pay for my mortgage, it was cheaper than if I go out here and get a one-bedroom.... So I just make sure I can stay here and continue paying my mortgage until my kids put me in the ground, and then they can fight over the house."***

However, while mortgages may be relatively stable, rising property taxes create a new financial strain. As one person noted, *"The only thing that kind of throws me off is the real estate bill... not the mortgage; it's the property tax."* These financial pressures mean that even longtime homeowners must constantly evaluate whether they can afford to stay in their homes.

One senior we spoke with made the difficult decision to sell their home due to health concerns and financial constraints. Maintaining a home—both physically and financially—can become overwhelming, particularly for those facing medical issues. One older adult shared, *"I'm alone, and my health was beginning to deteriorate.... Thinking about lawn work and snow removal, even though you may pay someone to do that, but some of it, you know, it's your responsibility. And I just couldn't, because of my medical condition."* Another senior emphasized the financial burden of homeownership in retirement: *"I knew when I retired, my income would be different, so I wouldn't want that expense, those expenses, because owning a house, it's more expensive.... Property real estate taxes are just... crazy now."* For these individuals, selling their home was a necessary but difficult step toward financial stability.

Ultimately, whether renting or owning, housing remains the single most important financial concern for low-income seniors. For the majority, subsidized housing is a key strategy for maintaining financial stability and meeting basic needs. While many are stretching their incomes to prioritize rent or mortgage payments, the availability of subsidized housing is making a significant difference, providing crucial support and preventing many older adults from facing severe financial hardship or homelessness.

Other, non-housing public support programs are also essential.

Public benefits, such as SNAP, Medicaid, and SSI offer critical financial support to low-income seniors, helping to meet basic needs like food and housing. These programs are a lifeline for many older adults, providing the foundation for economic security as they navigate retirement. However, as many older adults have pointed out, the rigid income restrictions and low levels of support leave many still struggling to make ends meet.

A key issue is the strict eligibility criteria for many programs. As one person noted in reference to SSI, *"What they need to do is lower the standards.... You can't make over a certain amount, and then they will have to penalize you and say they overpaid you."* This highlights the problem of restrictive eligibility, where seniors who may have modest savings or income are penalized by benefit programs that set income or asset thresholds too low. These severe program parameters prevent many from accessing crucial assistance, limiting their ability to save and support themselves.

Even when older adults do qualify for assistance, the amount provided is often insufficient to meet their needs. An example of this is the experience with SNAP benefits, as one individual shared, *"When we get to this age, you know, and you're on Social Security, and you're only getting $23 a month in food stamps. You know, come on, right now, you can do better than that."* Several of the seniors we spoke with reported receiving only $23 a month, the minimum amount that the Department of Transitional Assistance allocates, which is far from enough to cover basic food needs. Some older adults discussed turning down the $23 because they found it to be so little that it was an "insult to their intelligence."

Further compounding the challenges facing seniors is the uncertainty surrounding the future of public benefits, especially with concerns over policy changes at the national level. One respondent voiced their concern, saying,

> ***"I'm very, very worried about this person that's in the White House. It's very, it's very scary.... To be a senior and to have to worry about something like this is really traumatizing."***

This worry reflects the deep anxiety many older adults feel about the stability of Social Security and public benefits. As another person put it, *"Instead of that person saying, oh, we gotta cut food stamps, we gotta mess with Social Security? I worked for my Social Security. I worked 40-something years. How you want to take my money from me?"* This anxiety underscores the *need to* safeguard these vital support systems, which many seniors rely on to survive.

Debt holds some people back, but for others it serves as a financial cushion.

For many seniors we interviewed, debt has been both a financial lifeline and a source of financial strain. Of the people we spoke with, 70 percent shared that they currently have credit card debt, with many carrying debt from their working years into retirement.

Despite the risks associated with it, debt remains an essential financial tool for many low-income older adults. Some see it as a necessary backup for unexpected expenses, such as home repairs or appliance replacements. One person explained, *"If I didn't have the Best Buy card, if I didn't have the BJ's card, and something happened with something in the house... I would not have that money to pay for or replace a big appliance."* This perspective highlights the difficult balance low-income seniors must navigate—wanting to eliminate debt while recognizing the need for financial flexibility in case of emergencies.

Others take a more strategic approach, keeping credit cards as a financial safety net for the future, even if they don't use them regularly. One senior shared,

> ***"I didn't want to give up the bank card... because I'm looking at it for financial support further down the road. I don't know when, where, or what will happen. I may have to go live with my son or my granddaughters, and I don't want them to take care of me without me being able to help at least."***

For some, holding onto a credit card is less about day-to-day spending and more about maintaining a sense of financial independence in case their circumstances change.

Even with careful planning, some older adults resort to negotiating with their creditors to overcome temporary financial shortfalls. One participant recounted their experience of falling behind on mortgage payments after retirement, explaining, *"My mortgage was already late... so they want their money on the first of the month? I talked to them.... He said, 'We understand where you're coming from, and we can work with you.'"* This is another example of where debt is the only fallback for low-income seniors without a financial cushion.

Financial challenges in retirement strain family relationships.

Retirement often reshapes family roles and expectations, especially for seniors who once provided financial support to loved ones. Some retirees find themselves setting new boundaries, because they can no longer give money as freely as they once did. As one participant described it: *"There's a big difference now... They're so used to me giving, giving, giving, giving, so now it's stuck in their head, like, 'Even if she ain't got, I'm gonna go ask her.'"*

For others, retirement has reversed traditional dynamics. A few noted times when they had to borrow money from their adult children, though many are reluctant, explaining, *"I don't reach out to them for anything like that financially, because I know... they're just making ends meet and with a mortgage and putting a son through college."* Many older adults highlighted a widespread recognition that younger generations face high housing costs, student loan debt, and other financial challenges, making it difficult to justify seeking their support.

Nonetheless, some seniors do view family as a last resort in emergencies. One person, when asked about emergency savings, responded with laughter: *"Yes and no: my daughter."* Others echoed similar sentiments, with one saying, *"I really don't even worry about it.... I have my son, you know, if I need help, he helps me, but I don't bother him, because he's raising two children of his own."* While these older adults prefer to avoid asking for money, their children remain a safety net if absolutely necessary.

For others, family members play a crucial role in providing non-monetary support. Many seniors receive support through caregiving, small gifts, or practical help. One older adult described how their daughter provides small but meaningful gestures: *"Sometimes she'll say, 'Mommy, here's an extra $20 or something. Go buy yourself some lunch.' A lot of the time she's in the grocery store shopping for her household, and she'll see things that I might like."* Another senior emphasized the importance of emotional rather than financial support: *"We do the moral support thing, the family love, the emotional support."*

Interestingly, most of the older adults we interviewed lived independently rather than with their children, contrary to expectations of multigenerational living, particularly among low-income households. However, research from the Brookings Institution indicates that low-income seniors are more likely to live alone. Among those we interviewed, only two lived with their children, while others owned multi-family homes with relatives in separate units—often providing more help than they received. This may reflect the relatively younger age of our participants, most of whom were under 80. It's possible that older seniors, particularly those in their mid-80s and beyond, are more likely to move in with family as health and mobility challenges increase.

While few older adults rely on their families financially, these relationships remain a crucial source of stability—through caregiving, emotional support, and the knowledge that family is there if truly needed.

Support networks are crucial for learning about resources.

As we age, the question of how society should support us in our later years becomes increasingly important. One prevailing sentiment is the belief that seniors should be able to lean on society for help in old age. Unfortunately, this is often not the type of care that seniors are met with.

> ***"You would think that society would look upon us with more insightfulness to want to help more."***
>
> ***"Seniors in America... I think we get treated like, you know, once we get to 65 you know, 'bye, see you later.'"***

The overarching theme that emerges in the following quotes is the necessity for more robust support systems that not only exist but are easily accessible and well-known to those who need them. One respondent articulated the difficulties many older adults face in finding and using the resources available in Boston, acknowledging the need for greater awareness and distribution of information. They shared, *"I became very resourceful in learning what all the resources that Boston [has]... because depending on who we are, and who we know, we may not have access to all of that... sometimes don't hear about it, don't know how to go about it."*

Another participant spoke about how being new to Boston and, as a native Spanish-speaker, not speaking English made accessing services especially difficult,

> ***"In the past it was very hard to sign up for benefits. I didn't have the information; I didn't know the language; I didn't know what resources existed; I didn't know where they were located."***

While Boston has a wide range of resources for seniors, the participant highlights how difficult it can be for older adults to navigate these offerings and access can be contingent on one's network and social capital.

Further amplifying this, another respondent discussed how some seniors need help advocating for themselves, *"I see... the gap between what they can't or what they can do. It's a big gap.... They don't have an advocate, people to advocate for that kind of stuff."* The respondent expressed concern about their own future, stating, *"I hope not to be in that type of situation when I get more deteriorated."* This underscores the emotional weight of the issue: the fear of navigating an increasingly expensive world without the resources or support to do so.

Beyond formal assistance, seniors are also leaning on informal networks to share resources. One person described a culture of mutual aid among their peers, saying, *"If it's something that I don't want, I share with them, that's how we do. We share with each other. We swap off. 'If you want this, take it. If you want that, take it.'"* The reliance on personal connections highlights how critical these informal networks are, particularly for those who may not have the social capital to navigate existing systems.

These varying perspectives show that financial stability is deeply personal. For some, it's about avoiding hardship; for others, it's about enjoying life without worry, and for a few, it's about building wealth and independence. These varying views highlight the gap between meeting basic needs and feeling truly stable, showing that even those who can cover day-to-day expenses may still face precarious situations. Ultimately, financial stability isn't just about surviving—it's about having confidence in a secure, sustainable financial future.

CONCLUSION:

Opportunities to Strengthen Older Adult Financial Stability in Massachusetts

The most powerful tools for improving the financial security of low-wealth seniors are in federal hands, where policies have the broadest reach and scale. But the growing unpredictability of national policy is making state and local action all the more essential.

Massachusetts cannot solve this challenge alone—but it can take meaningful steps to ease financial pressures for today's older adults and help tomorrow's retirees build greater stability. So, in this brief conclusion, we highlight two active policy ideas that illustrate how state-level efforts can make a difference. These examples are not comprehensive solutions—neither, for instance, would assist many of the older adults we interviewed, who are past the point of benefiting from expanded employer-based retirement plans and are not homeowners. Still, they reflect the types of targeted, practical steps Massachusetts can take to move the needle.

First, for the seniors we spoke with who do own homes, property taxes—not mortgage payments—emerged as one of their most pressing financial burdens. Massachusetts, like many states, allows qualifying older adults to defer property tax payments for as long as they remain in their homes. This option can free up much-needed monthly cash, but current participation remains low due to complex application processes and restrictive eligibility rules. The Center for Retirement Research recommends three reforms to strengthen the program: Eliminate income limits to widen access, simplify enrollment to encourage participation, and shift the financial burden from municipalities to the state to ensure sustainability.[20] These changes would make the program more accessible and impactful, helping more older adults stay in their homes without the stress of rising property taxes.

Second, for workers still decades away from retirement, Massachusetts could help close the savings gap by adopting the Secure Choice Savings Program—an automatic IRA program for employees without access to employer-sponsored retirement savings. Auto-IRA programs are a long-term strategy, unlikely to assist today's retirees, but they hold enormous potential for increasing future retirement security. Studies from the Center for Retirement Research find that a Massachusetts Secure Choice program could significantly reduce the number of workers approaching retirement with little to no savings and would not pose a long-run burden to state budgets.[21] Passing this legislation now would be a forward-looking investment, laying the groundwork for more financially secure senior generations to come.

While the state's relative wealth offers some advantages, its high cost of living and persistent economic inequality create vulnerabilities for many seniors. Addressing these issues will require targeted efforts to improve retirement security and reduce disparities, ensuring that all older adults can age in place with dignity and financial stability.

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ENDNOTES

1. Mutchler, Su, and Velasco Roldan (2022). The elder index only applies to single and married/coupled households; those living with adult children or other relatives are not reflected in this statistic.
2. Yin, Chen, and Munnell (2024). This percentage at-risk is significantly lower than previous estimates due to the rapid rise in house prices that occurred after the pandemic.
3. Author's estimate from the *Current Population Survey* (2024). Median earnings in Massachusetts were only 16 percent higher, reflecting the influence of very high earners in the Commonwealth.
4. In 2024, individuals ages 65 plus in Massachusetts were 8 percentage-points more likely to be White, and 10 percentage-points more likely to have at least a college degree (author's estimates from the *Current Population Survey*).
5. Results in Figure 1 are very similar to the *Survey of Consumer Finances* (see Aubry and Quinby 2024). Results for each wave tell a similar story and are shown in Appendix Table A1.
6. For analytical simplicity, Social Security and defined benefit pensions are included as income rather than wealth.
7. Most surveys of household finances have relatively small samples and do not permit analysis of small geographical areas (even states). For instance, the *Survey of Consumer Finances* and *Health and Retirement Study* do not allow researchers to publish results at the state level. The *American Community Survey* (ACS) and *Current Population Survey* (CPS) have larger samples but have been shown to understate retirement income and lack any information on wealth (Dushi et al., 2025).
8. Households can be single, married, or partnered, and some also live with other family members. Since co-habiting with other adults might be a strategy used by lower-income seniors to defray living costs, we chose to ignore the financial resources brought by those other co-habitants and focus just on the personal resources of the senior head-of-household and their spouse or partner.
9. Dividing the sample into more than three groups was not feasible due to sample size constraints. The terciles are determined separately for Massachusetts and the rest of the U.S.
10. Sabelhaus (2022) and Arapakis and Quinby (2024) discuss coverage patterns by socioeconomic status.
11. Results for each SIPP wave are shown in Appendix Table A2.
12. Poterba, Venti, and Wise (2011) and Lockwood (2018).
13. Historically, the Social Security replacement rate has ranged from around 80 percent for very low lifetime earners, to around 30 percent for high lifetime earners (Biggs and Springstead 2008; and Burkhalter and Rose 2024).
14. More details on the budget items included in the Elder Index are available at: https://elderindex.org/.
15. Households with low-to-moderate income and wealth primarily rely on Medicaid for long-term services and supports, alongside informal care from family and friends. See Chen, Munnell, and Gok (2025) for an overview of this topic.
16. Widely used in studies of household finance, the average tax rates generated by TAXSIM strongly resemble those reported in the Internal Revenue Service's *Statistics of Income*.
17. Appendix Table A3 shows the average Elder Index sufficiency budget by wealth tercile and geography. The SIPP asks respondents to self-report health on a five-point scale (excellent, very good, good, fair, and poor). For consistency with the Elder Index, this scale was compressed to three groups (excellent, good, and poor) by combining the "very good" and "good" categorizations in the SIPP, as well as the "fair" and "poor" categorizations.
18. 18 Results for each SIPP wave are shown in Appendix Table A4.
19. 19 This includes Dorchester, Mattapan, Hyde Park, Roxbury, and South Boston.
20. 20 Munnell, Hou, and Walters (2022).
21. 21 Aubry (2024).

APPENDIX:

Detailed Quantitative Results

Table A1. Average Wealth of Households Ages 65+, by Wealth Tercile and Year, 2022 Dollars

Year	MA			
	Number of Obs.	Bottom	Middle	Top
2018	79	$27,740	$478,558	$2,809,732
2021	132	$61,771	$814,884	$4,431,145
2022	134	$74,415	$685,523	$3,496,410
All years	345	$55,149	$659,930	$3,580,749
Year	**Rest of the US**			
	Number of Obs.	Bottom	Middle	Top
2018	7,297	$15,793	$275,809	$2,132,129
2021	6,293	$33,289	$355,746	$2,626,271
2022	6,932	$29,144	$336,071	$2,516,956
All years	20,522	$26,359	$323,817	$2,433,180

Note: Wealth is calculated as the total value of housing, financial assets, businesses, and durable properties, minus mortgage and other debt.

Source: Author's estimates from the Survey of Income and Program Participation (2019-2023). • Created with Datawrapper

Table A2. Average Income of Households Ages 65+, by Wealth Tercile and Year, 2022 Dollars

Year	MA			
	Number of Obs.	Bottom	Middle	Top
2018	79	$39,721	$51,846	$156,725
2021	132	$26,669	$75,796	$189,173
2022	134	$36,754	$70,033	$161,316
All years	345	$34,340	$65,944	$169,003
Year	**Rest of the US**			
	Number of Obs.	Bottom	Middle	Top
2018	7,297	$34,847	$57,086	$123,094
2021	6,293	$31,378	$56,461	$136,734
2022	6,932	$32,241	$56,869	$127,835
All years	20,522	$32,766	$56,799	$129,370

Note: Annual income includes earnings, investment income from financial assets and properties, Social Security benefits, income from pensions and withdrawals from defined-contribution accounts, and other income, including business, rental, alimony, and government transfers. Extraordinary lump-sum payments are excluded from income.

Source: Author's estimates from the Survey of Income and Program Participation (2019-2023). • Created with Datawrapper

Table A3. Average Amounts Needed for Households Ages 65+ to Meet Living Costs, by Wealth Tercile and Year, 2022 Dollars

Year	MA			
	Number of Obs.	Bottom	Middle	Top
2018	79	$37,036	$45,024	$42,563
2021	132	$41,915	$43,902	$44,087
2022	134	$39,382	$39,353	$45,705
All years	345	$39,473	$42,711	$44,148
Year	**Rest of the US**			
	Number of Obs.	Bottom	Middle	Top
2018	7,297	$32,848	$34,942	$37,163
2021	6,293	$32,522	$34,633	$36,293
2022	6,932	$31,921	$33,857	$35,780
All years	20,522	$32,416	$34,462	$36,389

Note: Amounts reported cover the cost of fulfilling basic needs for people 65 years or older who live independently in one- or two-person households. Costs are calculated at the state level and vary by household size, living arrangements, and health.

Source: Source: Author's estimates from the Survey of Income and Program Participation (2019-2023) and the Elder Index (2018-2022). • Created with Datawrapper

Table A4. Share of Households Ages 65+ Falling Short, by Wealth Tercile and Year

Year	**MA**			
	Number of Obs.	Bottom	Middle	Top
2018	79	79%	49%	8%
2021	132	85%	26%	4%
2022	134	78%	30%	5%
All years	345	80%	35%	6%
Year	**Rest of the US**			
	Number of Obs.	Bottom	Middle	Top
2018	7,297	62%	30%	10%
2021	6,293	63%	30%	9%
2022	6,932	65%	32%	11%
All years	20,522	63%	30%	10%

Note: A household falls short if it has an annual post-tax income below the Elder Index.

Source: Source: Author's estimates from the Survey of Income and Program Participation (2019-2023), the Elder Index (2018-2022), and TAXSIM (2025). • Created with Datawrapper

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