

SOCIAL SECURITY WORKS FOR RURAL MINNESOTA



Advocating Change Together • American Federation of Government Employees Local 3129 • Greater Minnesota Health Care Coalition • ISIAH • Land Stewardship Project • League of Rural Voters • Minnesota AFL-CIO • Minnesota AFL-CIO Retirees Council • Minnesota Nurses Association • Social Security Works • Strengthen Social Security Campaign • TakeAction Minnesota

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The League of Rural Voters uses grassroots organizing and communications tools to connect with rural voters in pivotal Midwestern states, focusing on issues like economic development, Social Security, immigration, trade and farm policy, health care and education.

www.leagueofruralvoters.org



The mission of Social Security Works is to protect and improve the economic status of disadvantaged and at-risk populations, and, in so doing, to promote social justice for current and future generations of children as well as young, middle-aged and older adults. Social Security Works is a project of The Advocacy Fund with generous support from The Atlantic Philanthropies.

www.socialsecurity-works.org



The Strengthen Social Security Campaign is made up of more than 320 national and state organizations representing more than 50 million Americans. The Campaign is united around core principles, which include that Social Security benefits should not be cut and, instead, should be increased for those who are most disadvantaged. www.strengthensocialsecurity.org

The following organizations have partnered with Social Security Works, the Strengthen Social Security Campaign and the League of Rural Voters for this report: Advocating Change Together, American Federation of Government Employees Local 3129, Greater Minnesota Health Care Coalition, ISIAAH, Land Stewardship Project, Minnesota AFL-CIO, Minnesota AFL-CIO Retirees Council, Minnesota Nurses Association, and TakeAction Minnesota.

EXECUTIVE SUMMARY

SOCIAL SECURITY WORKS for Americans of all ages and backgrounds, and especially for those living in rural America.

For 76 years, Social Security has provided a guaranteed income for workers and their families when workers retire, become severely disabled or die. It is there for all contributors—low-income, middle-income, and rich—because it is based on a simple concept: If you contribute to the program, then you earn the right to guaranteed benefits.

Social Security is especially important to America's rural communities, which have older populations, lower incomes, and higher rates of poverty than urban areas, on average. Our nation's most successful and popular program, Social Security provides vital economic security so that people are protected in the event of disability, death, or old age.

This report, *Social Security Works for Rural Minnesota*, shows that:

- **Social Security works for rural Minnesotans.** Social Security provided benefits to 307,215 Minnesotans in rural counties in 2009. They included 209,940 retired workers (68.3 percent of the total), 35,010 disabled workers (11.4 percent), and 18,245 children (5.9 percent). The average benefit for rural Minnesotans is very modest—just \$12,201 in 2009—but very important.
- **Social Security is even more important to rural Minnesotans than to other Minnesotans.** One out of five (21.5 percent) rural Minnesotans receive Social Security compared to one out of seven (14.2 percent) non-rural Minnesotans.

- **Minnesota's rural counties rely on Social Security income much more than its non-rural counties.** Total personal income in Minnesota's 66 rural counties was \$48.7 billion in 2009 of which \$3.7 billion, or 7.7 percent, was from Social Security. By comparison, total personal income in the state's 21 non-rural counties was \$171.7 billion, of which \$7.5 billion, or 4.4 percent, was from Social Security.
- **Social Security is more than a retirement program; its disability insurance and life insurance benefits are vital to Minnesota's rural families.** Fourteen percent of Social Security beneficiaries in Minnesota's rural counties receive disability benefits. In total, 43,105 rural Minnesotans received disability benefits in 2009, including 35,010 disabled workers, 510 of their spouses and 7,585 of their children.
- **Social Security is particularly important in keeping rural seniors out of poverty.** It lifted nearly one-half (45.8 percent) of rural seniors out of poverty in 2010, compared with about one-third (34.2 percent) of non-rural seniors.

It is not surprising then, that when asked on a recent survey, Minnesota voters by a large and bipartisan margin of 72 percent to 19 percent opposed cutting Social Security benefits in order to reduce the deficit.

Social Security is fully funded for the next quarter century, after which it can pay more than three-quarters of promised benefits. One proposal for closing this projected shortfall is to lift the Social Security payroll tax contribution cap so that

employees and their employers make contributions on annual wages above \$106,800. That would affect just 5 percent of Minnesotans with the highest earnings. In a recent poll, three-quarters of Minnesota voters supported this proposal. These findings hold strong across Minnesota’s Twin City and Twin City Collar regions, which are more urban, and across the more rural Northern and Southern Minnesota Regions.

People in rural Minnesota understand the importance of a hard day’s work, of paying bills on time, and of living within their means. They recognize that the values underlying Social Security—reward for hard

work and prudent, conservative financing—are America’s traditional values.

Social Security’s benefits are modest, yet vitally important. Social Security is a commitment made to all Americans that has withstood the test of time. It represents the best of American values—rewarding hard work, honoring our parents, caring for our neighbors, and taking responsibility for ourselves and our families. Social Security is based on a promise that if you pay in then you earn the right to guaranteed benefits. This is one promise to the American people that politicians should not break—especially to rural Americans.



Research Methodologies¹

To measure Social Security’s impact on Minnesota’s rural communities, this report analyzes Social Security income and beneficiary statistics, as well as demographic and socioeconomic data for every county in Minnesota.

The term “seniors,” as used in the report, refers to persons aged 65 or older. The data used are from a variety of federal agencies, including the U.S. Bureau of Economic Analysis (BEA), Social Security Administration (SSA), and U.S. Census Bureau. All of the data used were the most current available. County-level data is current to 2009, while most other data is current to 2010. Counties were compared by their status of “non-metropolitan or rural” and “metropolitan or urban” according to definitions established by the U.S. Department of Agriculture’s Economic Research Service (ERS) in “Measuring Rurality: Rural-Urban Continuum Codes.”²

SOCIAL SECURITY WORKS FOR RURAL MINNESOTA

SOCIAL SECURITY WORKS FOR RURAL MINNESOTA highlights the importance of the nation’s most successful and popular program to America’s and Minnesota’s rural communities.

Minnesota is very rural, with 66 of 87 counties designated as rural.³ Nearly 3 in 10 Minnesotans reside in these counties—1.4 million out of the state’s 5.3 million residents.⁴ Additional demographic and program participation data are available at the back of this report for each of Minnesota’s 66 rural counties (see Appendix 1, Social Security, Medicare, and Medicaid Data in Minnesota’s Rural Counties).

All told, 307,215 Minnesotans in rural counties received Social Security benefits in 2009, more than 1 out of 5 residents.⁵

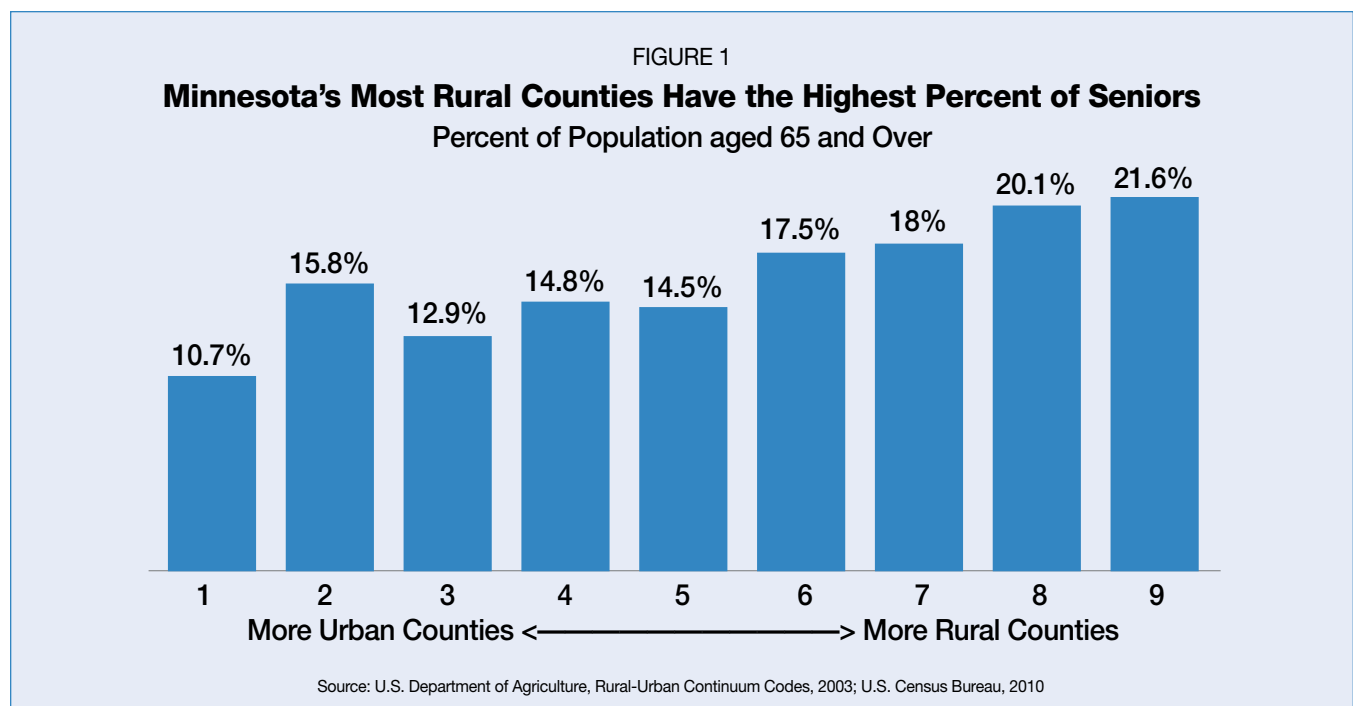
Moreover, while not examined as part of this report, there are still more Minnesotans residing in the rural

areas in counties designated as “urban,” and so the importance of Social Security to rural Minnesota is even greater than what is presented here.

Background

Minnesota’s rural communities have experienced profound change over the past century. Rural areas are more sparsely settled than in the past. Roughly three-quarters of rural residents lived on farms in 1900, but just one in ten do so today.⁶

Since the beginning of the last century, younger residents have increasingly left rural areas to pursue opportunities in metropolitan areas. Because fewer young people are choosing to start their families in these communities, rural communities tend to be older. The most recent census illustrates this point in Minnesota: the most rural counties generally have the highest percent of seniors [Figure 1]. Overall, those aged 65 and over make up about 17 percent of rural



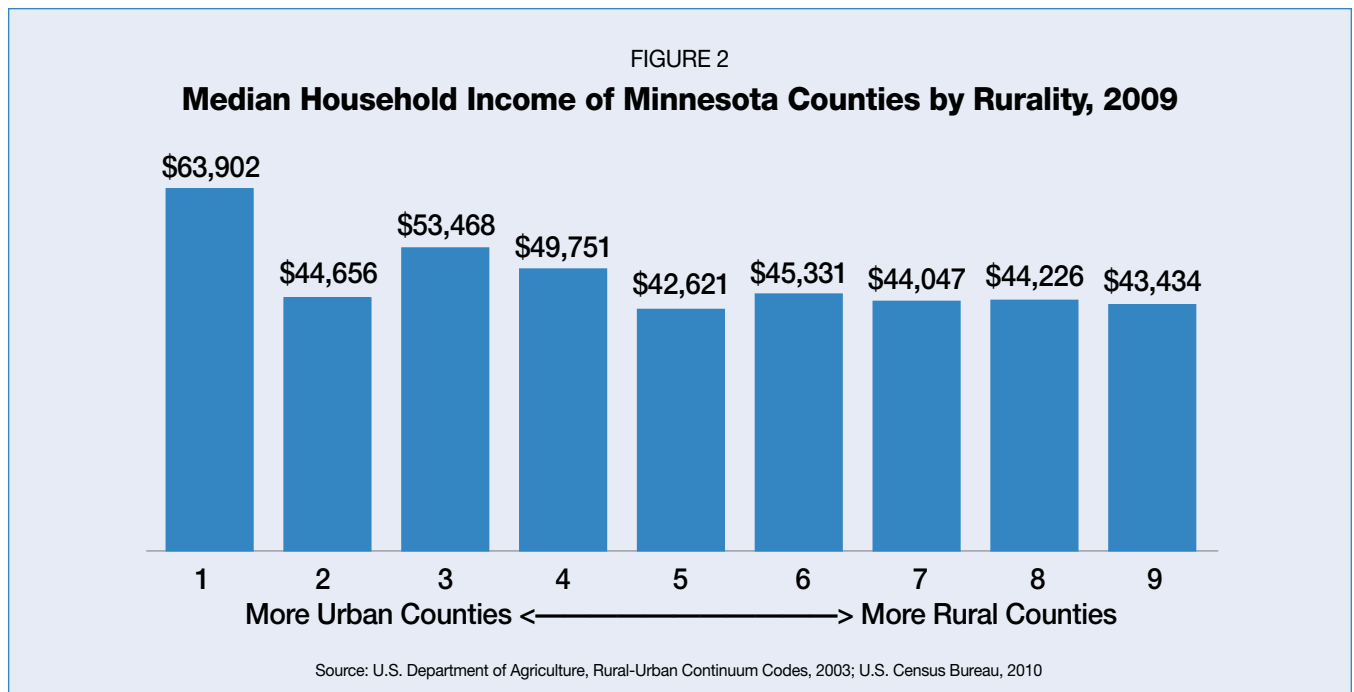
county residents compared to about 11 percent in urban counties.⁷ (In Figure 1 and others in this report, Minnesota counties are defined as more rural based on a 9-point scale used by the U.S. Department of Agriculture.⁸)

Economic growth has also been concentrated in more urban areas, which contributes to the lower average income of rural households compared to urban households. On average, it appears that the more rural a county, the lower the median household income [Figure 2]. This trend makes Social Security all the more important to rural families and their communities.⁹

Rural Minnesotans work in a variety of industries. Many have occupations similar to their metropolitan counterparts—food service workers, retail clerks, and healthcare workers, to name a few. But some industries are unique to the state’s rural areas. Agriculture and related sectors employ about one-quarter of the state’s labor force, and logging, mining, and fishing also make up a large proportion of rural Minnesota’s jobs and exports.¹⁰



While these industries will undoubtedly continue to be central in the lives of rural Minnesotans, over the coming decades a number of emerging sectors will be increasingly important to rural economies, including manufacturing, healthcare, renewable energy, and bio-science, which builds upon the area’s rich agricultural heritage.



Social Security Benefits for Retired, Disabled and Deceased Workers and Their Families

Of the 307,215 rural Minnesotans who received Social Security in 2009, more than two-thirds (209,940) were retired workers. [Figure 3] Social Security also provided critical benefits to 35,010 workers with severe disabilities and to the dependent children and spouses of disabled, deceased and retired workers,

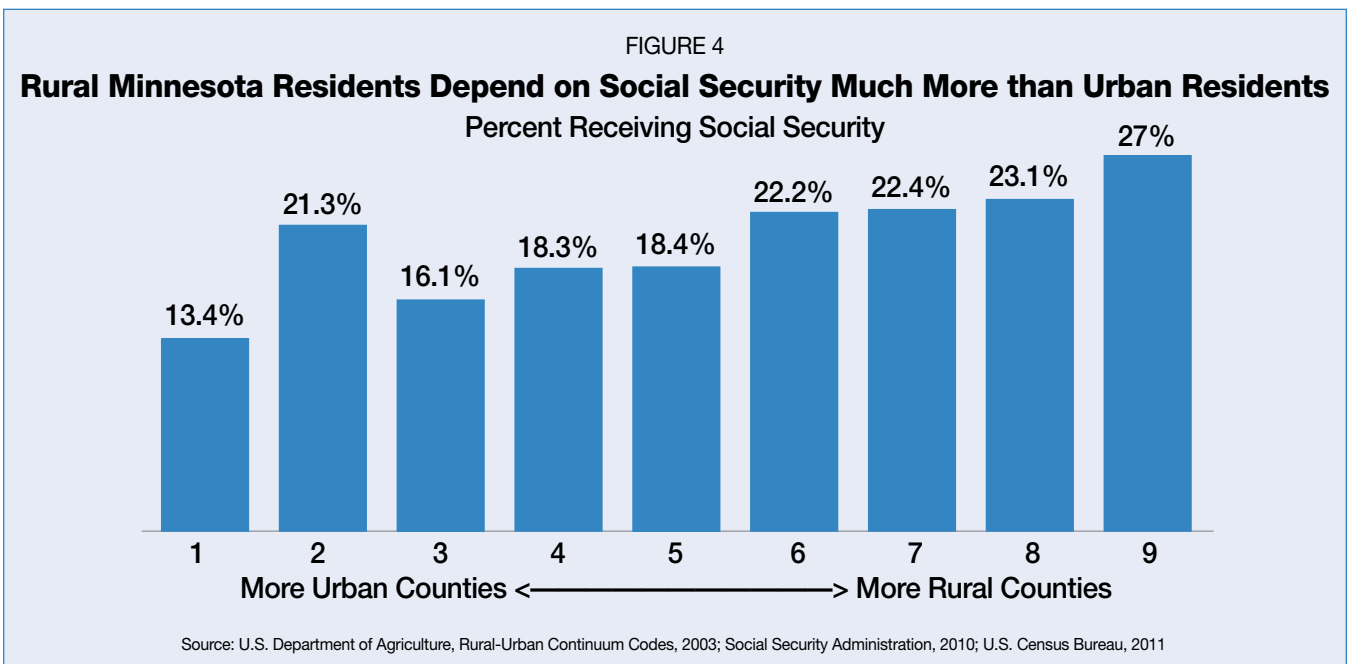
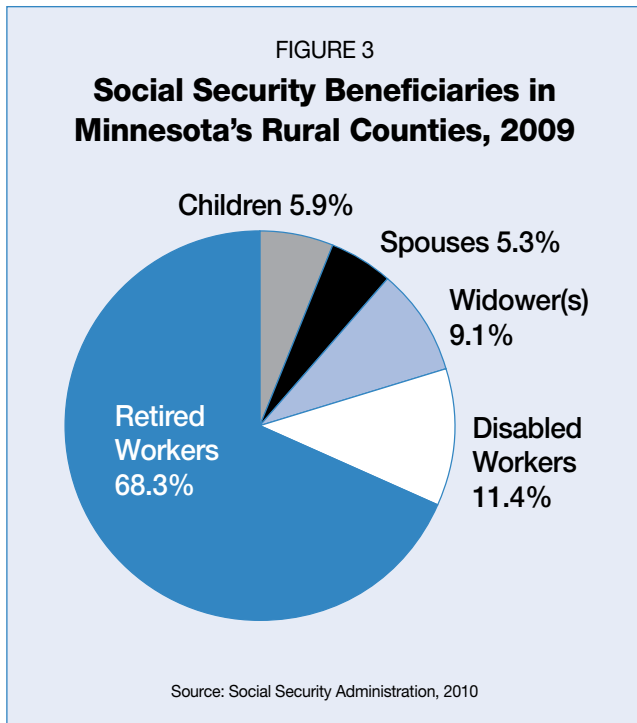
including 27,835 aged widow(er)s, 16,175 spouses, and 18,245 children.¹¹

Social Security's benefits are vital to the economic security of rural Minnesotans. The average Social Security benefit in Minnesota's rural counties was a modest \$12,201 in 2009, which was not even the minimum wage.¹²

Social Security is Even More Important to Rural Minnesotans

Minnesota's rural residents are more likely to receive Social Security than those living in its urban areas. About 1 out of 5 (21.5 percent) Minnesotans living in rural counties receive Social Security compared with 1 out of 7 (14.2 percent) Minnesotans living in non-rural counties.¹³

In fact, the more rural a county is the more important Social Security generally is to its residents. [Figure 4] For example, the share of persons receiving Social Security benefits is twice as large—27 percent compared to 13.4 percent—in Minnesota's most rural counties (9 on the scale) compared to its most urban counties (1 on the scale).¹⁴



Minnesota's Rural Counties Rely on Social Security Income More Than Non-Rural Counties

Total personal income in Minnesota's 66 rural counties was \$48.7 billion in 2009.¹⁵ Of that total \$3.7 billion, or 7.7 percent, came from Social Security.¹⁶ Although the total personal income of the state's 21 non-rural counties was much higher—\$171.7 billion in 2009—just 4.4 percent of those counties' total personal

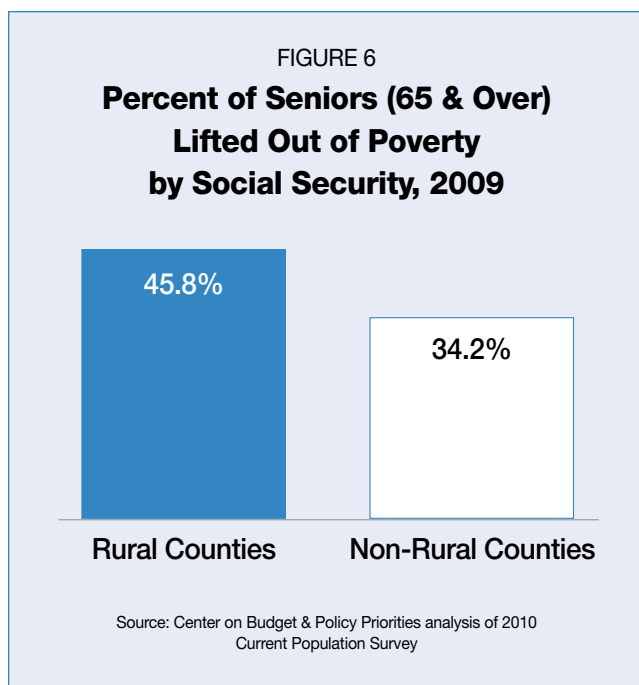
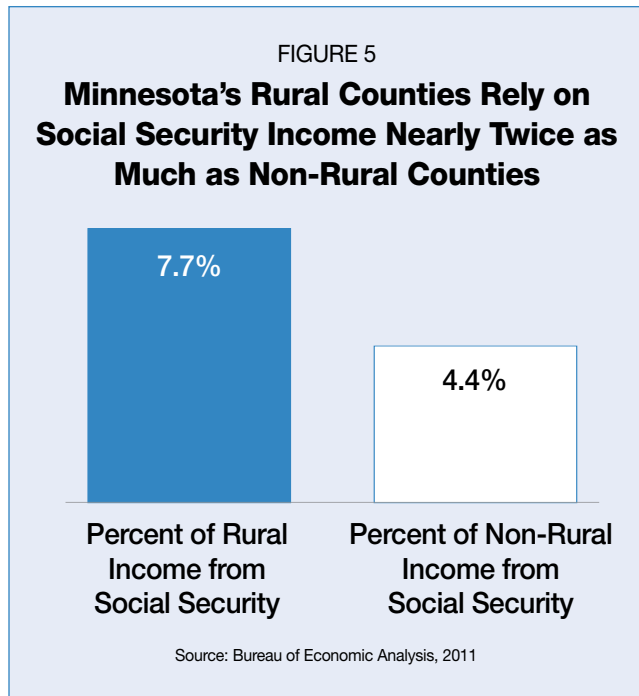
income (\$7.5 billion) came from Social Security.¹⁷ [Figure 5]

On average, Social Security provides 75 percent more of the total personal income in Minnesota's rural counties than in the state's non-rural counties.

Social Security Lifts a Higher Share of Rural Seniors Out of Poverty Than Non-Rural Seniors

Social Security is our nation's largest and most successful antipoverty program, lifting about 20 million Americans out of poverty in 2010—retirees, disabled workers, spouses, widows and children.¹⁸ Of that total, 3.3 million seniors living in rural counties were lifted out of poverty.¹⁹ (State-level data is not available.)

Seniors in rural counties are more likely to be poor than seniors who live elsewhere, which is why Social Security is especially important to rural America.²⁰ Social Security lifted nearly one-half (45.8 percent) of rural seniors out of poverty in 2010, compared with about one-third (34.2 percent) of non-rural seniors. [Figure 6] That means one-third more seniors are lifted out of poverty in rural counties than in urban counties.²¹



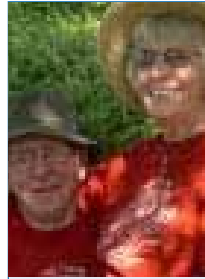
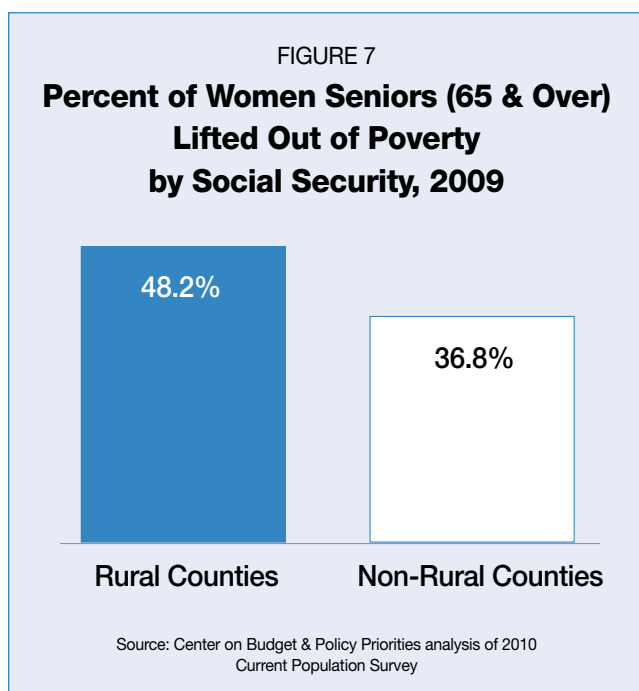
Women in Rural Counties Rely on Social Security More than Women in Urban Counties

Poverty is a fact of life for too many women in America’s rural counties. Thankfully Social Security is there for many of them. It lifted out of poverty nearly 1 out of 2 (48.2 percent) women seniors in rural counties in 2010, compared with about 1 out of 3 (36.7 percent) of women seniors in non-rural counties.²² [Figure 7] (State-level data is not available.)

Rural Minnesotans with Disabilities Rely on Social Security’s Disability Benefits

Occupations in rural America often can be hazardous, resulting in serious injuries that bring an abrupt end to someone’s ability to earn a paycheck. Social Security is often called on to fill the void. It is the nation’s largest and, despite its modest benefits, most generous disability program. Without Social Security more than half of disabled workers would have incomes below the poverty line.²³

Fourteen percent of Social Security beneficiaries in Minnesota’s rural counties receive disability benefits.²⁴ These 43,105 residents include 35,010 disabled workers, 510 of their spouses and 7,585 of their children.²⁵



Retired But Still Working Barbara and Luverne Lovaasen, Vergas, Minnesota

At age 83, nearly two decades after retiring, Barbara Lovaasen continues to work as many as 21 hours a week as a special-education aide. Luverne, age 82, was diagnosed with pulmonary fibrosis and frontal lobe dementia but still works in the spring and fall as a laborer on nearby farms.

The couple, who have been married 56 years, have no choice: Luverne was making \$6 an hour delivering propane when he retired without a pension in 1991 and Barbara receives \$420 a month from her retirement plan, which just covers monthly supplemental health insurance costs. They live off her pay of \$10 an hour and \$1,503 in Social Security benefits. The two have \$1,900 in savings.

In June 2009, Barbara was diagnosed with non-Hodgkin’s lymphoma. She underwent chemotherapy and by January she was back at work. She credits Medicare for her swift recovery, given she was able to see a specialist at an early stage of the disease—care she otherwise couldn’t afford.

“If we didn’t have Social Security I don’t know what would happen,” Barbara said. “The worst thing that happens is when you have dental expenses. I had to come up with \$1,100 for a root canal recently. When I need new glasses I’ll have to come up with that.”

“The things that come up you don’t expect—like buying extra groceries for company or new tires for the car—the furnace isn’t working, so we need to get that fixed—they’re not in our budget.”

Ordinarily cheerful and even-tempered, Barbara gets visibly angry when she hears lawmakers talk about scaling back Social Security and Medicare.

“These are not entitlements; they’re insurance plans we’ve been paying into since I was 16 and Luverne was 17. This is money that came out of our weekly paychecks to ensure we would have this money and health care when we needed it. That’s true for everybody who works for a living.”

What Minnesota's Voters Are Saying About Social Security

A recent Lake Research Partners survey examined the views of 584 Minnesotans who are likely voters in 2012. It found that across party lines voters strongly oppose cutting Social Security benefits in order to reduce the federal deficit—by a margin of 72 percent to 19 percent. Majorities of Democrats (80 percent), Republicans (65 percent), Independents (69 percent) and Tea Party supporters (61 percent) oppose cutting benefits.²⁶

Social Security has a projected funding shortfall that is modest in size and decades away. While Social Security has a \$2.7 trillion surplus today,²⁷ in about 25 years a funding shortfall is projected allowing the program to cover about 75 to 80 percent of benefits earned and promised.²⁸ The shortfall is modest, especially given the expected growth of the older population—equivalent to 0.7 percent of Gross Domestic Product (GDP).²⁹ This is roughly the amount of revenues that would be lost to the federal budget from extending the G.W. Bush-era tax cuts benefitting the richest 2 percent of American households—those with taxable income above \$250,000 a year.³⁰

The poll of Minnesota voters asked about their preferred method of eliminating Social Security's projected funding shortfall. Three quarters of voters—including large majorities of Democrats (83 percent), Independents (75 percent), Republicans (64 percent) and Tea Party supporters (62 percent)—favor eliminating the Social Security tax cap set at \$106,800, so that higher-paid workers and their

employers contribute to Social Security on all their wages.³¹ [Figure 8] These findings hold strong across Minnesota's Twin City and Twin City Collar regions, which are more urban, and across the more rural Northern and Southern Minnesota Regions.

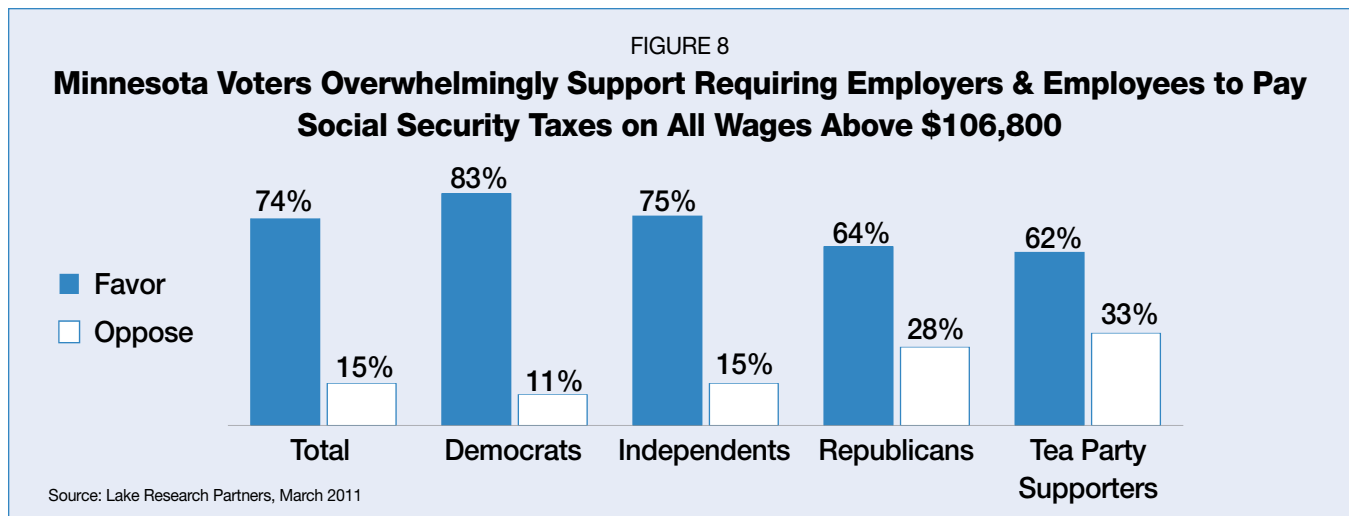
Just 5 out of 100 Minnesotans have wages above that \$106,800 cap.³² Requiring those making above the cap to contribute to Social Security on all of their wages, just like everyone else, would essentially close Social Security's long-range shortfall for the next 75 years.³³

When asked if Social Security's long-range funding shortfall should be closed by cutting benefits, such as by raising the retirement age to 69 or reducing the annual cost-of-living adjustment (COLA), a strong majority of Minnesotans said no.³⁴ (Table 1)

TABLE 1
Majorities of Voters Across Minnesota's Regions Oppose Cutting Benefits to Make Social Security Solvent

% Oppose	Raising Retirement Age to 69	Changing COLA Formula to Reduce Benefits
Total	58%	55%
Twin Cities	54%	59%
Twin Cities/ Collar Counties	57%	54%
Northern MN	58%	52%
Southern MN	63%	54%

Source: Lake Research Partners, June 2011



Conclusion

Social Security works for Minnesotans of all ages and backgrounds. Nationally, almost two-out-of-three seniors rely on Social Security for half or more of their income, and more than one-out-of-three seniors relies on Social Security for 90 percent or more of their income.³⁵

Social Security is especially important to Minnesota's rural residents. They are more likely to receive Social Security benefits than are non-rural residents. They

rely on these benefits for a larger share of their income. Social Security lifts a much larger share of the rural seniors out of poverty than it does seniors in urban counties.

An earned benefit, Social Security supports the dignity of all who receive benefits and reinforces two important rural traditions—self-sufficiency and concern for neighbors.

Raising Grandkids Thanks to Social Security's Disability Insurance

Sharon and Gregg Olson, Elk River, Minnesota

One year after marrying, Sharon and Gregg Olson faced a far different future than the one they imagined for themselves when they wed on Valentine's Day in 1993. With children from previous marriages already grown, still healthy themselves and in good-paying jobs, the two looked forward to a prosperous early retirement.

All that changed when Sharon received a collect call from a social worker in New Mexico stating that her two grandchildren and one step-grandchild had been removed from their home. She was given a choice: either the kids come to Minnesota or be placed in foster care.

The children, then aged 7, 3 and 1, were suffering from various medical conditions and emotional traumas. The oldest, unrelated to the Olsons by birth and not a U.S. citizen, was diagnosed with fetal alcohol syndrome, cerebral palsy, seizure disorder, scoliosis and severe mental disability.

"When I got that call I had to break the news to my husband that we were expecting—not a baby but three troubled children," she said.

Sharon, 63, and Gregg, 61, still care for the oldest girl, now 24, despite medical issues of their own. Suffering from crippling arthritis and spinal stenosis, Gregg was deemed disabled seven years ago. Last year, two major blockages were found in Sharon's coronary artery, requiring emergency surgery.

The three live on less than \$1,600 a month in disability payments provided through Social Security—and Gregg's ongoing medical expenses are covered through Medicare. Given that Sharon technically can still work, even though she's required at home, she qualifies only for reduced-cost health services available to low-income residents. The house they were months away from owning outright in the mid-1990s, was refinanced and a second mortgage taken out. The couple has no savings.

Nearly 7 million children now are being cared for by grandparents or other relatives. But unlike the 600,000 kids in formal foster care, these households aren't entitled to monthly support payments. Like the Olsons, these families merely have to make due.

"There is nothing left," Sharon said of her once bright financial future. "We're very frugal and get by just by the skin of our teeth."

Endnotes

- ¹ For additional information about the methods used in the report, please contact Daniel Marans at dmarans@socialsecurity-works.org.
- ² U.S. Department of Agriculture's Economic Research Service (ERS), designates counties as rural or urban based on population density, grading them on a scale of 1 to 9, with 1 being the most urban and 9 being the most rural. Counties are considered rural if they are designated 4 or higher. For the purposes of this report, the authors used both the ERS's 9-point scale, and the binary abbreviation of these codes, which codes rural counties "0" and urban counties "1."
- ³ ERS, "Measuring Rurality: Rural-Urban Continuum Codes," 2003. Available at <http://www.ers.usda.gov/Briefing/Rurality/RuralUrbCon/>. For more detail about the way rural and urban counties were defined for the purposes of this report see endnote 2.
- ⁴ County-level population data from U.S. Census Bureau, "State and County Quickfacts: Population 2010," June 2011. Available at <http://quickfacts.census.gov/qfd/states/27000.html> Comparison of rural and non-rural county populations are the authors' calculations.
- ⁵ County-level population data from Census Bureau, *Ibid.* Beneficiary data from Social Security Administration (SSA), "Table 4. Number of beneficiaries in current payment status, by county, type of benefit, and sex of beneficiaries aged 65 or older, December 2009," in *OASDI Beneficiaries by State and County, 2009*, August 2010. Available at http://www.ssa.gov/policy/docs/statcomps/oasdi_sc/
- ⁶ Thomas Gillaspay, "The Demographics of Ruralplexes," *Rural Minnesota Journal*, January 2006. Available at <http://www.ruralmn.org/wp-content/uploads/2011/03/The-Demographics-of-Ruralplexes.pdf>.
- ⁷ County-level population data from U.S. Census Bureau, "State and County Quickfacts: Population 2010," June 2011. Available at <http://quickfacts.census.gov/qfd/states/27000.html> Comparison of rural and non-rural county populations are the author's calculation.
- ⁸ For a description of the 9-point scale see endnote 2.
- ⁹ Small Area Estimates from U.S. Census Bureau, "2009 Poverty and Median Income Estimates—Counties." December 2010. Available at <http://www.census.gov/did/www/saie/data/statecounty/index.html>.
- ¹⁰ Center for Rural Policy and Development, "Commentary: From Out Here" 2009. Available at <http://www.mnsu.edu/ruralmn/commentary.php>.
- ¹¹ SSA, *Ibid.* "Table 4. Number of beneficiaries in current payment status, by county, type of benefit, and sex of beneficiaries aged 65 or older, December 2009."
- ¹² SSA, "Table 5. Amount of benefits in current-payment status, by county, type of benefit, and sex of beneficiaries aged 65 or older, December 2009," in *OASDI Beneficiaries by State and County, 2009*, August 2010. Available at http://www.ssa.gov/policy/docs/statcomps/oasdi_sc/. Average benefit calculated by totaling annual benefits in rural counties and dividing the total by the number of total beneficiaries.
- ¹³ Number of Social Security beneficiaries from SSA, "Table 4. Number of beneficiaries in current payment status, by county, type of benefit, and sex of beneficiaries aged 65 or older, December 2009." County-level population data from Census Bureau, "State and County Quickfacts: Population 2010," June 2011. Available at <http://quickfacts.census.gov/qfd/states/27000.html> Comparison of rural and non-rural beneficiaries are the authors' calculations.
- ¹⁴ The correlation between extent of rurality and percent of people receiving Social Security benefits is unusually large ($r=0.85$). Extent of Minnesota counties' rurality on 9-point scale calculated from ERS, "Measuring Rurality: Rural-Urban Continuum Codes," 2003. Percent of residents receiving Social Security benefits in counties by extent of rurality calculated by totaling number of Social Security beneficiaries in each category of counties by point on 9-point scale, and dividing it by total population in each category of counties. Beneficiary data from SSA, "Table 4. Number of beneficiaries in current payment status, by county, type of benefit, and sex of beneficiaries aged 65 or older, December 2009." County-level population data from Census Bureau, "State and County Quickfacts: Population 2010."
- ¹⁵ U.S. Bureau of Economic Analysis (BEA), Regional Economic Accounts: Local Area Personal Income, "Personal income" in *CA05N Personal income by major source and earnings by NAICS industry*. Available at <http://bea.gov/regional/reis/>
- ¹⁶ BEA, Regional Economic Accounts: Local Area Personal Income, "Old-age, Survivors and Disability insurance (OASDI) benefits" in *CA35 Personal current transfer receipts*. Available at <http://bea.gov/regional/reis/> BEA data were used for total annual Social Security benefits rather than the figures available from the SSA in order to be consistent with the denominator of "Personal income," which came from BEA. For other purposes in the report, such as calculating the average benefit and average retirement benefit in rural counties, SSA data were used.
- ¹⁷ BEA, "Personal income" in *CA05N Personal income by major source and earnings by NAICS industry*. Available at <http://bea.gov/regional/reis/>
- ¹⁸ Center on Budget and Policy Priorities (CBPP), "Social Security Keeps 20 Million Americans Out of Poverty, A State-by-State Analysis," August, 2010. Available at <http://www.cbpp.org/files/8-11-10socsec.pdf>.
- ¹⁹ CBPP analysis of 2010 *Current Population Survey*, unpublished.
- ²⁰ In 2010, 9.9 percent of seniors in rural counties had incomes below the poverty line, compared with 8.7 percent of seniors in non-rural counties. Some of those seniors with incomes below the poverty line do not receive Social Security benefits, but many do. ERS, "Rural Income, Poverty & Welfare: Poverty Demographics," 2010. Available at <http://ers.usda.gov/Briefing/IncomePovertyWelfare/PovertyDemographics.htm>
- ²¹ CBPP analysis of 2010 *Current Population Survey*, unpublished.
- ²² *Ibid.*
- ²³ Paul Van de Water, "Income of Disabled Worker Beneficiaries," Social Security Administration, 2001, p. 22. Available at http://www.ssa.gov/policy/docs/chartbooks/income_workers/di_chart.pdf
- ²⁴ SSA, "Table 4. Number of beneficiaries in current-payment status, by county, type of benefit, and sex of beneficiaries aged 65 or older, December 2009."
- ²⁵ SSA, *Ibid.*
- ²⁶ Lake Research Partners, "Minnesota Voters' Attitudes Toward Social Security," June 2, 2011, p. 6. Available at http://strengthensocialsecurity.org/sites/default/files/report.SOCIAL%20SECURITY%20WORKS.MN_MEDIA%20VERSION.fREV_050511.pdf.
- ²⁷ Social Security Trustees, "Table VI.F8- Operations of the Combined OASI and DI Trust Funds, in Current Dollars, Calendar Years 2011-86," in *Single-Year Tables*, 2011. Available at <http://www.ssa.gov/oact/TR/2011/lr6f8.html>
- ²⁸ Social Security Trustees, *The 2011 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds*, 2011, May 13, 2011, p. 9. Available at <http://www.ssa.gov/oact/TR/2011/tr2011.pdf>. Congressional Budget Office, "Long Term Projections for Social Security," August 2011, p. 9. Available at <http://www.cbo.gov/doc.cfm?index=12375>
- ²⁹ Social Security Trustees, *Ibid.*, p. 12.
- ³⁰ Social Security Trustees, *Ibid.*, p. 12 and "Table IV.B6—Unfunded OASDI Obligations for 1935 Through the Infinite Horizon," in 2011, p. 66.
- ³¹ Lake Research Partners, "Minnesota Voters' Attitudes Toward Social Security," June 2, 2011, p. 21. Available at http://strengthensocialsecurity.org/sites/default/files/report.SOCIAL%20SECURITY%20WORKS.MN_MEDIA%20VERSION.fREV_050511.pdf
- ³² Center for Economic Policy & Research (CEPR), Analysis of 2009 American Community Survey Data, Unpublished, 2011. Nationwide, 6 out of 100 workers have wages above the cap. SSA, "Table 4.B4—Percentage of workers with earnings below annual maximum taxable, by sex, selected years 1937–2008," in *Annual Statistical Supplement, 2010*, February, 2011. Available at http://www.ssa.gov/policy/docs/statcomps/supplement/2010/4b.html#table4_b4
- ³³ SSA, Office of the Chief Actuary, "E2.1 Beginning in 2011 make all earnings subject to the payroll tax (but retain the current-law taxable maximum for benefit calculations)," in *Provisions Affecting Payroll Tax Rates*. Available at: <http://www.ssa.gov/oact/solvency/provisions/payrolltax.html> The percentage of taxable payroll that the provision would generate was calculated by the Social Security actuaries based on the 2010 Trustees Report, the most recent calculation available. The percentage of the shortfall that would be eliminated by the provision was found by comparing (a) the percentage of taxable payroll that the provision would generate to (b) the shortfall, as expressed as a percentage of taxable payroll in the 2011 Trustees Report, which was 2.22 percent of taxable payroll (as opposed to the 1.92 percent of taxable payroll projected in the 2010 Trustees Report).
- ³⁴ Lake Research Partners, *Ibid.*, p. 18.
- ³⁵ SSA, "Fast Facts and Figures About Social Security, 2010," p. 7. Available at http://www.ssa.gov/policy/docs/chartbooks/fast_facts/2009/fast_facts09.pdf.

Appendix 1: Social Security, Medicare, and Medicaid Data in Minnesota's Rural Counties

County	Minnesota Rural County Demographics				Social Security Benefits, 2009		Social Security Beneficiaries by Characteristic, 2009						Medicare & Medicaid		
	2010 Population	Rural-Urban Continuum Scale 2003	Median Household Income, 2009	Percentage in Poverty, 2009	% of Population Over Age 65, 2010	% of Population Receiving Benefits, 2009	Annual Total Benefits, 2009	Total Beneficiaries	Retired Workers	Disabled Workers	Widow(er)s	Spouses	Children	% Receiving Medicare, 2007	% Receiving Medicaid, 2011
Rural Counties Total	1,429,114	N/A	\$45,054	11.8%	17.2%	21.5%	\$3,748,392,000	307,215	209,940	34,785	27,535	16,005	18,080	18.5%	13.8%
Aitkin	16,202	8	\$38,924	15.0%	27.2%	27.5%	\$56,484,000	4,460	3,215	500	330	195	220	24.7%	16.1%
Becker	32,504	6	\$44,596	13.1%	17.3%	23.2%	\$89,280,000	7,550	5,165	860	670	390	465	19.5%	18.2%
Beltrami	44,442	7	\$39,601	20.9%	12.9%	17.4%	\$88,536,000	7,725	4,840	1,165	665	340	715	13.5%	23.1%
Big Stone	5,269	9	\$39,113	11.6%	25.1%	29.9%	\$17,580,000	1,575	1,070	140	175	110	80	27.9%	13.7%
Blue Earth	64,013	5	\$42,979	17.5%	11.8%	14.9%	\$119,088,000	9,525	6,180	1,465	780	410	690	12.6%	10.1%
Brown	25,893	7	\$44,952	11.4%	18.9%	23.0%	\$73,464,000	5,960	4,125	580	600	410	245	20.7%	10.7%
Cass	28,567	9	\$41,288	14.0%	21.1%	30.4%	\$107,724,000	8,680	6,235	990	520	380	550	23.9%	17.9%
Chippewa	12,441	7	\$45,384	9.9%	19.3%	21.0%	\$30,792,000	2,610	1,785	230	310	155	130	19.5%	13.8%
Clearwater	8,695	8	\$37,993	16.6%	18.6%	23.0%	\$22,104,000	2,000	1,345	250	185	105	115	19.7%	19.2%
Cook	5,176	9	\$44,927	10.1%	20.3%	25.9%	\$17,892,000	1,340	1,030	125	75	55	50	21.0%	8.7%
Cottonwood	11,687	7	\$40,708	10.2%	21.2%	26.1%	\$36,300,000	3,045	2,045	285	335	215	165	24.1%	15.6%
Crow Wing	62,500	5	\$41,673	14.3%	18.5%	24.2%	\$193,692,000	15,150	10,690	1,855	1,040	705	860	20.0%	13.7%
Douglas	36,009	7	\$43,833	11.2%	19.6%	25.1%	\$109,488,000	9,035	6,375	1,005	710	440	505	20.9%	11.6%
Faribault	14,553	7	\$43,722	13.2%	21.8%	26.9%	\$46,692,000	3,920	2,735	355	435	230	165	24.0%	15.0%
Fillmore	20,866	8	\$47,357	12.7%	19.2%	22.4%	\$54,888,000	4,670	3,360	345	465	280	220	20.1%	11.5%
Freeborn	31,255	7	\$44,222	10.9%	20.2%	25.0%	\$97,740,000	7,800	5,410	845	745	385	415	22.4%	13.4%
Goodhue	46,183	4	\$56,947	7.5%	16.4%	19.7%	\$119,676,000	9,115	6,575	880	760	370	530	16.5%	9.3%
Grant	6,018	9	\$43,940	10.6%	22.2%	28.8%	\$20,028,000	1,735	1,180	155	180	125	95	26.1%	13.5%
Hubbard	20,428	7	\$43,721	12.9%	20.8%	26.5%	\$65,772,000	5,420	3,840	645	360	265	310	21.3%	15.4%
Itasca	45,058	6	\$42,896	13.6%	19.0%	25.6%	\$146,268,000	11,540	7,455	1,710	1,080	630	665	20.9%	15.5%
Jackson	10,266	7	\$49,607	10.8%	19.9%	23.4%	\$27,792,000	2,405	1,630	195	260	180	140	21.3%	12.0%
Kanabec	16,239	6	\$45,963	11.1%	16.4%	21.2%	\$41,580,000	3,450	2,370	495	230	125	230	17.4%	15.9%
Kandiyohi	42,239	4	\$46,519	11.3%	16.2%	20.0%	\$102,732,000	8,435	5,750	975	710	480	520	17.5%	16.0%
Kitson	4,552	9	\$45,404	10.0%	22.6%	26.8%	\$14,388,000	1,220	800	120	155	65	80	24.6%	12.1%
Koochiching	13,311	7	\$40,431	12.9%	19.6%	26.5%	\$44,712,000	3,530	2,190	550	350	230	210	23.6%	14.8%
Lac qui Parle	7,259	9	\$44,782	8.8%	23.8%	26.7%	\$22,368,000	1,940	1,315	150	225	160	90	24.9%	13.0%
Lake	10,866	6	\$48,698	11.4%	22.3%	26.0%	\$36,384,000	2,825	1,915	325	245	190	155	23.5%	10.2%
Lake of the Woods	4,045	9	\$40,118	11.7%	20.3%	27.1%	\$12,852,000	1,095	755	130	90	60	60	23.4%	13.0%
Le Sueur	27,703	6	\$53,213	8.4%	14.4%	17.3%	\$61,524,000	4,790	3,450	525	350	195	270	14.8%	9.8%
Lincoln	5,896	9	\$41,263	9.2%	24.5%	25.9%	\$16,800,000	1,530	1,085	115	180	95	55	24.0%	10.5%
Lyon	25,857	7	\$46,783	11.7%	13.6%	17.9%	\$55,356,000	4,640	2,975	535	480	285	365	15.9%	13.4%
Mahnomen	5,413	8	\$33,834	19.7%	15.8%	18.1%	\$10,152,000	980	605	130	100	45	100	15.3%	73.0%
Marshall	9,439	7	\$40,389	11.2%	20.7%	23.1%	\$24,696,000	2,185	1,470	195	265	155	100	51.6%	4.9%
Martin	20,840	6	\$53,315	8.0%	15.3%	26.0%	\$66,384,000	5,425	3,630	590	565	330	310	27.4%	8.0%
McLeod	36,651	8	\$46,242	9.7%	19.2%	18.7%	\$87,924,000	6,865	4,920	670	615	300	355	5.5%	18.9%

County	Minnesota Rural County Demographics				Social Security Benefits, 2009		Social Security Beneficiaries by Characteristic, 2009							Medicare & Medicaid	
	2010 Population	Rural-Urban Continuum Scale 2003	Median Household Income, 2009	Percentage in Poverty, 2009	% of Population Over Age 65, 2010	% of Population Receiving Benefits, 2009	Annual Total Benefits, 2009	Total Beneficiaries	Retired Workers	Disabled Workers	Widow(er)s	Spouses	Children	% Receiving Medicare, 2007	% Receiving Medicaid, 2011
Meeker	23,300	6	\$51,811	9.2%	16.5%	20.5%	\$58,080,000	4,765	3,335	530	405	220	275	17.3%	12.1%
Millie Lacs	26,097	6	\$43,128	13.4%	16.1%	22.4%	\$71,856,000	5,850	3,970	775	480	205	420	18.6%	13.8%
Morrison	33,198	6	\$44,908	13.7%	16.0%	21.1%	\$78,120,000	6,990	4,530	925	635	435	465	18.0%	13.7%
Mower	39,163	4	\$44,234	13.6%	17.4%	22.2%	\$107,940,000	8,680	5,805	990	880	455	550	20.2%	16.4%
Murray	8,725	9	\$44,737	10.2%	22.4%	24.9%	\$24,936,000	2,170	1,480	160	265	160	105	23.5%	11.1%
Nicollet	32,727	5	\$47,122	9.1%	12.0%	14.8%	\$63,912,000	4,830	3,405	525	425	215	260	12.8%	10.5%
Nobles	21,378	7	\$44,233	12.1%	16.0%	19.4%	\$48,768,000	4,140	2,765	440	455	280	200	17.7%	16.6%
Norman	6,852	8	\$43,976	14.0%	21.4%	26.2%	\$19,908,000	1,795	1,140	180	205	130	140	23.2%	17.6%
Otter Tail	57,303	6	\$42,011	12.8%	21.0%	25.6%	\$176,736,000	14,695	10,320	1,555	1,285	835	700	21.7%	11.7%
Pennington	13,930	6	\$41,027	13.0%	15.9%	19.4%	\$31,992,000	2,705	1,810	335	265	115	180	17.5%	13.8%
Pine	29,750	6	\$39,309	18.9%	16.3%	21.6%	\$78,552,000	6,420	4,345	915	495	240	425	17.7%	15.3%
Pipestone	9,596	6	\$41,306	10.6%	19.8%	21.7%	\$23,340,000	2,080	1,390	185	255	140	110	20.8%	15.5%
Pope	10,995	8	\$48,844	9.9%	21.3%	23.6%	\$30,636,000	2,600	1,860	250	240	135	115	21.6%	12.1%
Red Lake	4,089	8	\$41,510	11.1%	17.1%	20.3%	\$9,240,000	830	585	65	100	40	40	18.9%	14.2%
Redwood	16,059	7	\$46,550	10.0%	19.7%	23.1%	\$43,776,000	3,715	2,455	330	450	255	225	21.1%	12.7%
Renville	15,730	9	\$46,909	10.7%	19.4%	22.8%	\$42,600,000	3,585	2,340	380	400	255	210	20.9%	13.6%
Rice	64,142	4	\$55,681	11.8%	12.3%	15.4%	\$130,872,000	9,885	6,965	1,090	780	410	635	12.6%	9.9%
Rock	9,687	6	\$48,136	9.2%	18.9%	22.7%	\$26,424,000	2,200	1,450	205	285	140	120	20.4%	11.1%
Roseau	15,629	7	\$46,846	8.4%	14.4%	18.2%	\$33,588,000	2,845	1,970	325	245	125	180	15.2%	9.7%
Sibley	15,226	8	\$49,091	10.5%	16.3%	19.9%	\$36,180,000	3,035	2,110	275	320	175	155	17.8%	50.1%
Steele	36,576	5	\$57,980	7.7%	14.4%	17.6%	\$82,956,000	6,435	4,490	715	545	270	415	14.8%	13.6%
Stevens	9,726	7	\$53,889	12.1%	16.4%	18.5%	\$21,060,000	1,795	1,165	140	210	155	125	17.6%	8.2%
Swift	9,783	7	\$44,451	11.4%	20.1%	23.8%	\$26,424,000	2,330	1,535	245	280	125	145	22.2%	14.8%
Todd	24,895	6	\$41,643	14.7%	17.4%	21.7%	\$60,360,000	5,390	3,580	695	460	300	355	18.5%	14.0%
Traverse	3,558	9	\$39,389	12.0%	26.3%	29.5%	\$11,952,000	1,050	700	80	120	100	50	28.5%	14.2%
Wadena	13,843	7	\$35,952	16.0%	21.1%	26.9%	\$41,484,000	3,725	2,385	480	385	215	260	23.5%	19.4%
Waseca	19,136	7	\$51,100	8.5%	14.7%	19.4%	\$45,792,000	3,710	2,545	420	300	210	235	16.9%	11.8%
Watonwan	11,211	7	\$43,714	11.3%	19.0%	21.1%	\$28,284,000	2,370	1,615	235	250	145	125	19.8%	13.1%
Wilkin	6,576	6	\$49,747	9.1%	17.8%	22.0%	\$17,208,000	1,450	925	170	160	105	90	20.3%	13.5%
Winona	51,461	4	\$42,751	16.4%	13.4%	16.4%	\$106,092,000	8,415	5,750	1,085	715	325	540	14.3%	9.4%
Yellow Medicine	10,438	9	\$46,226	10.0%	19.5%	24.5%	\$30,192,000	2,560	1,705	225	300	170	165	22.6%	12.0%

Sources:

(2010 Population) U.S. Census Bureau, "Profile of General Population and Housing Characteristics," 2010. <http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml>
(Rural-Urban-Continuum Scale) USDA Economic Research Service (ERS), "Urban-Rural Continuum Codes," 2003. <http://www.ers.usda.gov/Data/RuralUrbanContinuumCodes/> ERS designates counties as rural or urban based on population density, grading them on a scale of 1 to 9, with 1 being the most urban and 9 being the most rural. Counties are considered rural if they are designated 4 or higher. In addition to the 9-point scale used in the table above, in parts of the report the authors made their calculations using the binary abbreviation of these codes, which codes rural counties "0" and urban counties "1."
(Median Household Income, Percentage in Poverty) U.S. Census Bureau, "Small Area Income and Poverty Estimates," 2009. <http://www.census.gov/did/www/saibe/county.html>
(Percentage of Population over 65) Calculated by dividing population over 65 by total population. U.S. Census Bureau, "Profile of General Population and Housing Characteristics," 2010.
(Percentage of Population Receiving Social Security Benefits) Calculated by dividing total beneficiaries by total population.
(Annual Total Benefits) Bureau of Economic Analysis, "Local Area Personal Income," 2009. <http://bea.gov/regional/rels/>
(Social Security Beneficiaries) Social Security Administration, "OASDI Beneficiaries by State and County," 2009. http://www.socialsecurity.gov/policy/docs/statcomps/oasdi_sc/2009/
(Percentage Receiving Medicare) Centers for Medicare and Medicaid Services, "Medicare County Enrollment," 2007. <https://www.cms.gov/medicareenrpt/>
(Percentage Receiving Medicaid) Minnesota Department of Human Services, "Medical Assistance by County," February 2011. <http://www.dhs.state.mn.us/>