

# ELDER LOW INCOME VULNERABLE POPULATIONS

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Washington University at St. Louis

Financial Capability Across the Life Course: A Focus on  
Vulnerable Populations, October 25-26, 2012

# Overview

- Elder Low-Income Tax Filing Community in the U.S.
  - Elder Population by FRB District (2010 IRS Mkt Segment Data ~ 60 year old +)
  - Why Should We Care?
  - Summary Statistics by FRB District:
    - Tax Years 2004-2010
    - Total Returns, 2010
    - AGI Distribution of Low Income Elders
    - Wages
    - Schedule C, SE & F
    - Rapid Anticipation Loans & Checks
    - Elders Caring for Children (EITC, CTC & Form 2441-Dependent Child Care Credit)
    - Direct Deposit of Refund (semi-proxy for Bank Accounts)
    - Low Income Elder Tax Filers: Who Do They Pay to File Their Taxes?
- What Next?

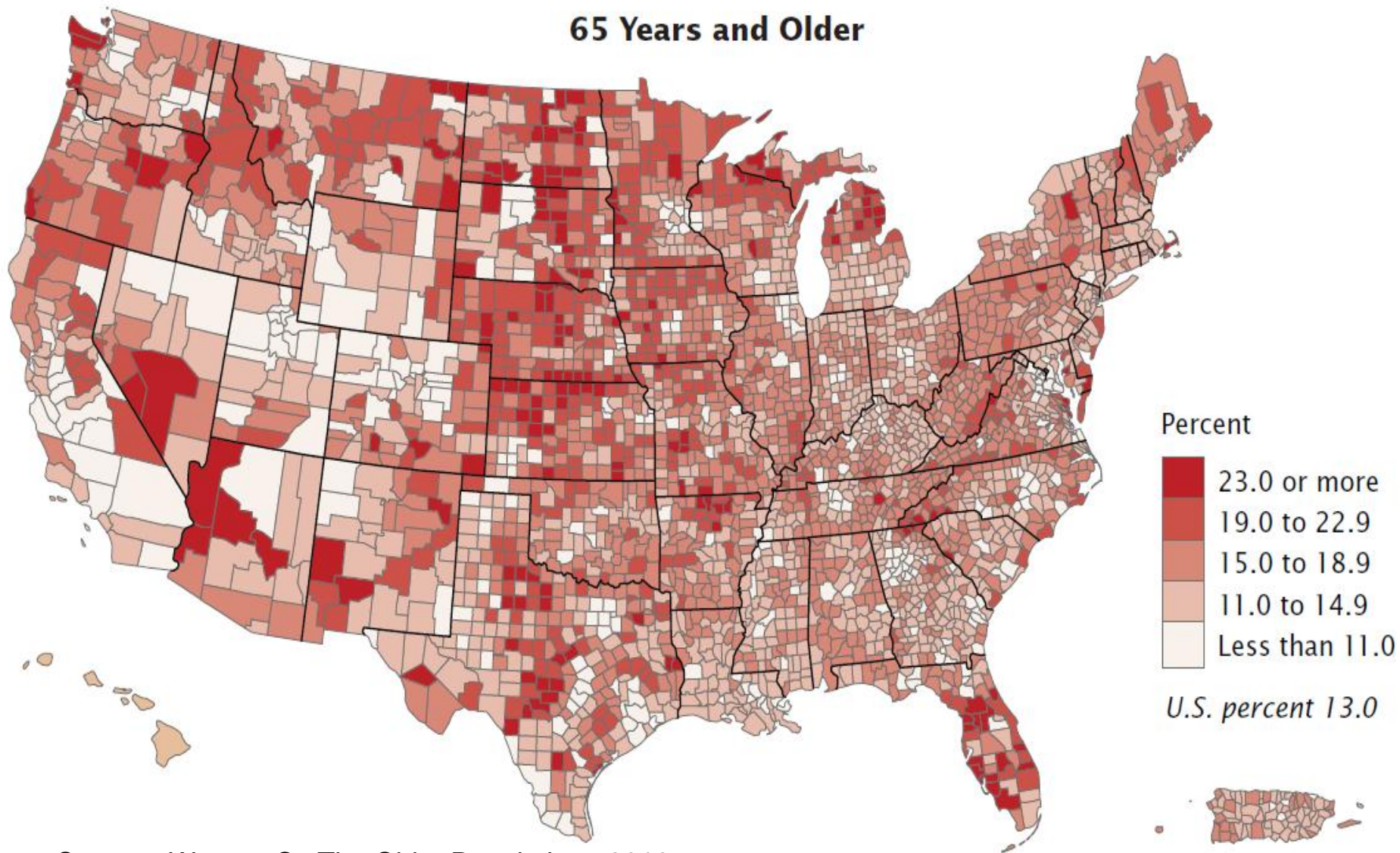
# Elder Population in the U.S.

## Change in Population 65 Years and Over, 2000-2010

	2010			Change, 2000 to 2010	
	Number	Percentage of 65 years and over population	Percentage of U.S. total population	Number	Percentage
US Total Population	<b>308,745,538</b>	(X)	<b>100.0</b>	<b>27,323,632</b>	<b>9.7</b>
65 Years +	40,267,984	100.0	13.0	5,276,231	15.1

# Elder Population in the U.S.

65 Years and Older



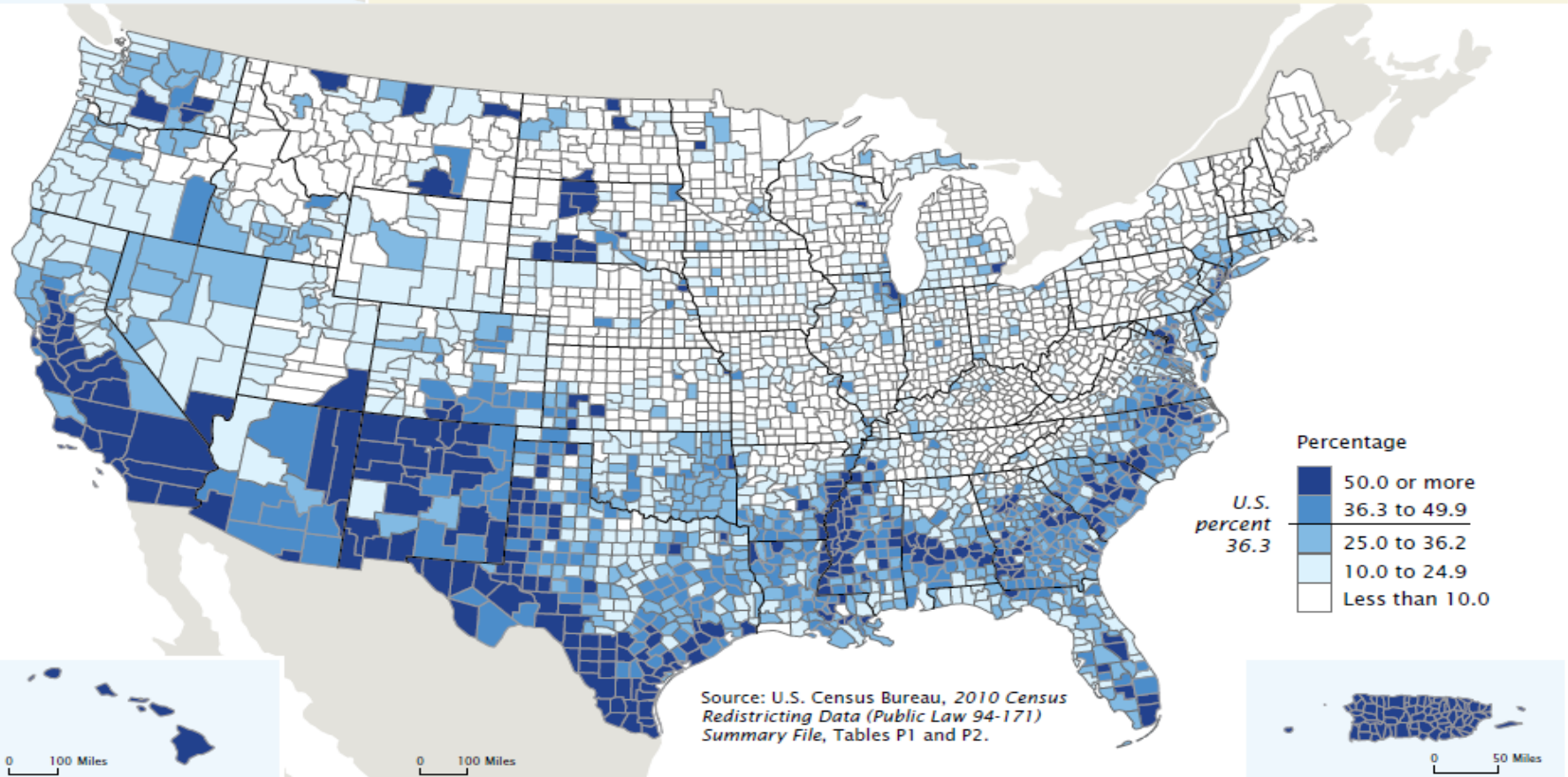
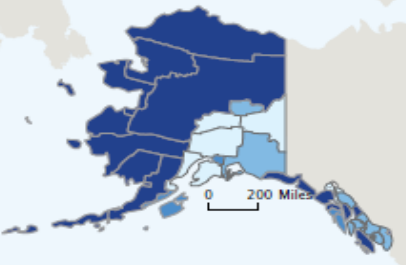
Source: Warner, C., *The Older Population: 2010*,  
2010 Census Briefs, U.S. Census Bureau, November 2011

# Minority Population by County, 2010

Figure 4.

## Minority Population as a Percentage of County Population: 2010

(Minority refers to people who reported their ethnicity and race as something other than non-Hispanic White alone in the 2010 Census. For information on confidentiality protection, nonsampling error, and definitions, see [www.census.gov/prod/cen2010/doc/pl94-171.pdf](http://www.census.gov/prod/cen2010/doc/pl94-171.pdf))

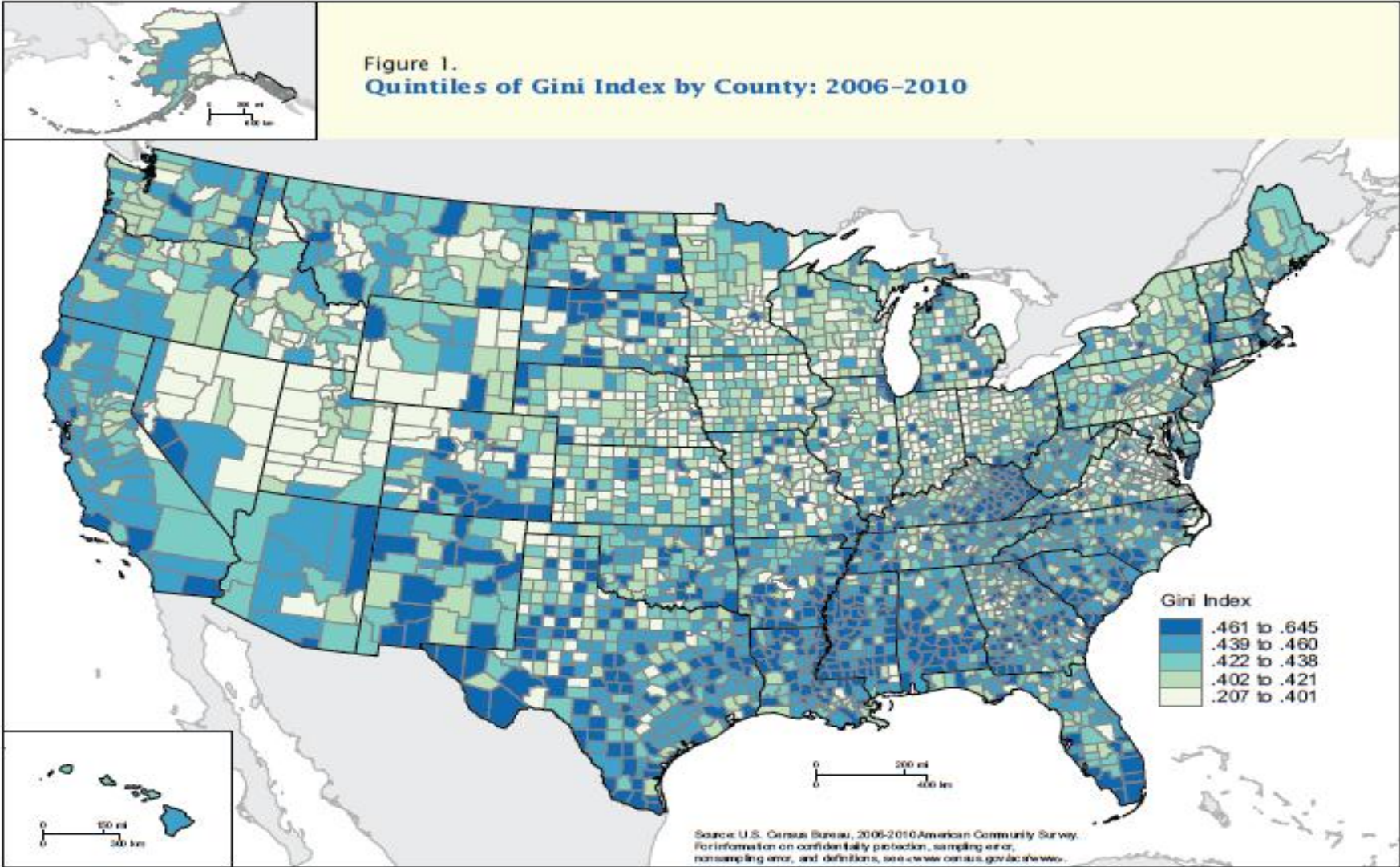


### Percentage

U.S. percent	50.0 or more
36.3	36.3 to 49.9
36.3	25.0 to 36.2
	10.0 to 24.9
	Less than 10.0

Source: U.S. Census Bureau, 2010 Census Redistricting Data (Public Law 94-171) Summary File, Tables P1 and P2.

# U.S. Inequality by County, Gini Index Quintiles

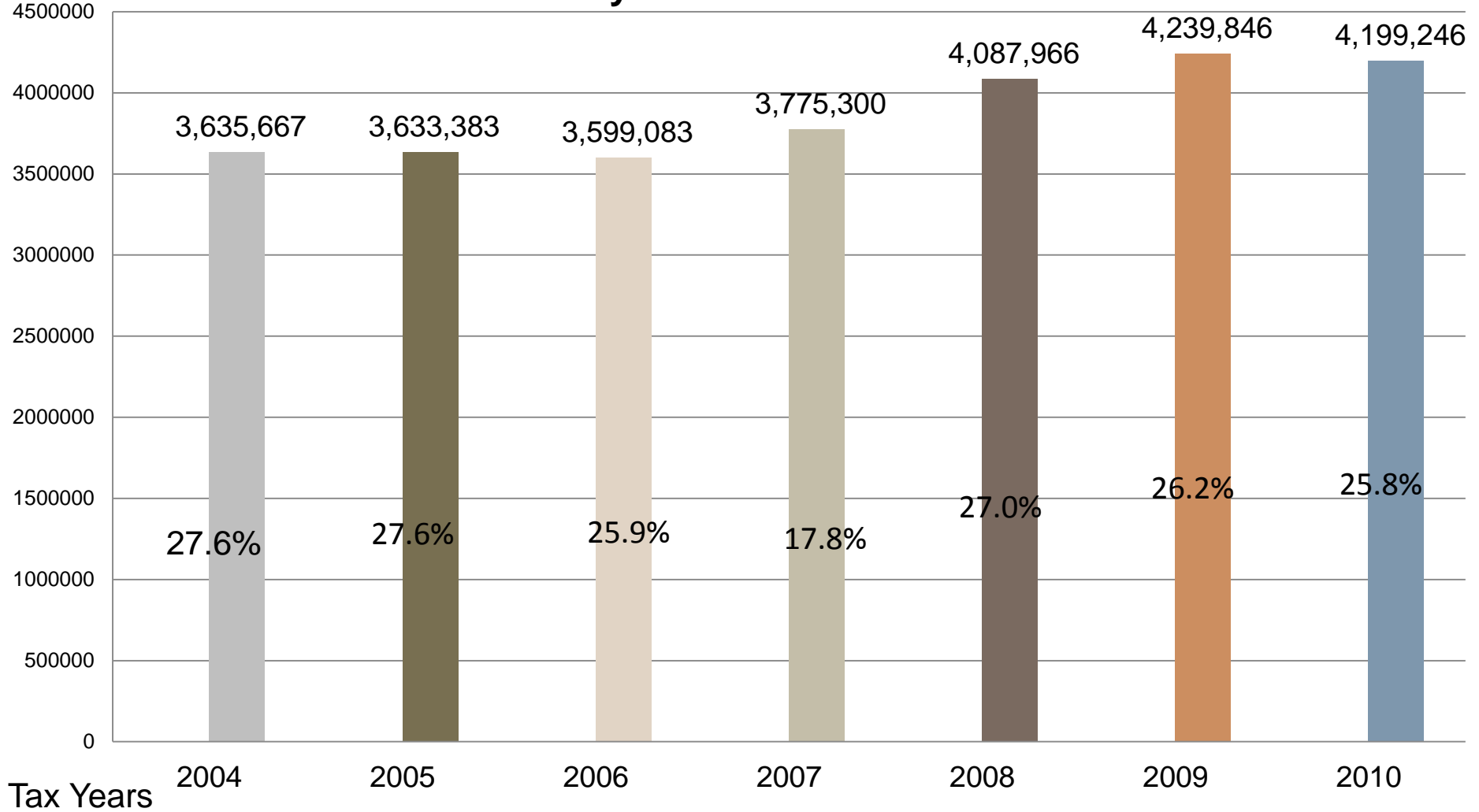


Source: Bee, A., Household Income Inequality within U.S. Counties: 2006-2010, American Community Survey Brief, U.S. Census Bureau, February 2012

# Why Should We Care?

- Job Growth for the next 50 years will be directly and indirectly related to an Aging Population
- Community Development & Low-wage jobs will increasingly serve and receive funding for Elder-oriented sectors:
  - Housing: Elder and Multi-generational (single & multi-family units)
  - Health Care (Clinics, In-Home Care & Assisted Living)
  - Learning (Life-Long Learning)
  - Child Care (More Grandparents as care-givers)
  - Innovations in Better Quality of Long Living
  - Tourism-related tax revenues (service oriented jobs)
  - Retirement Community Developments (Care-giving jobs)
  - Intergenerational transfer of linguistic assets for global trade

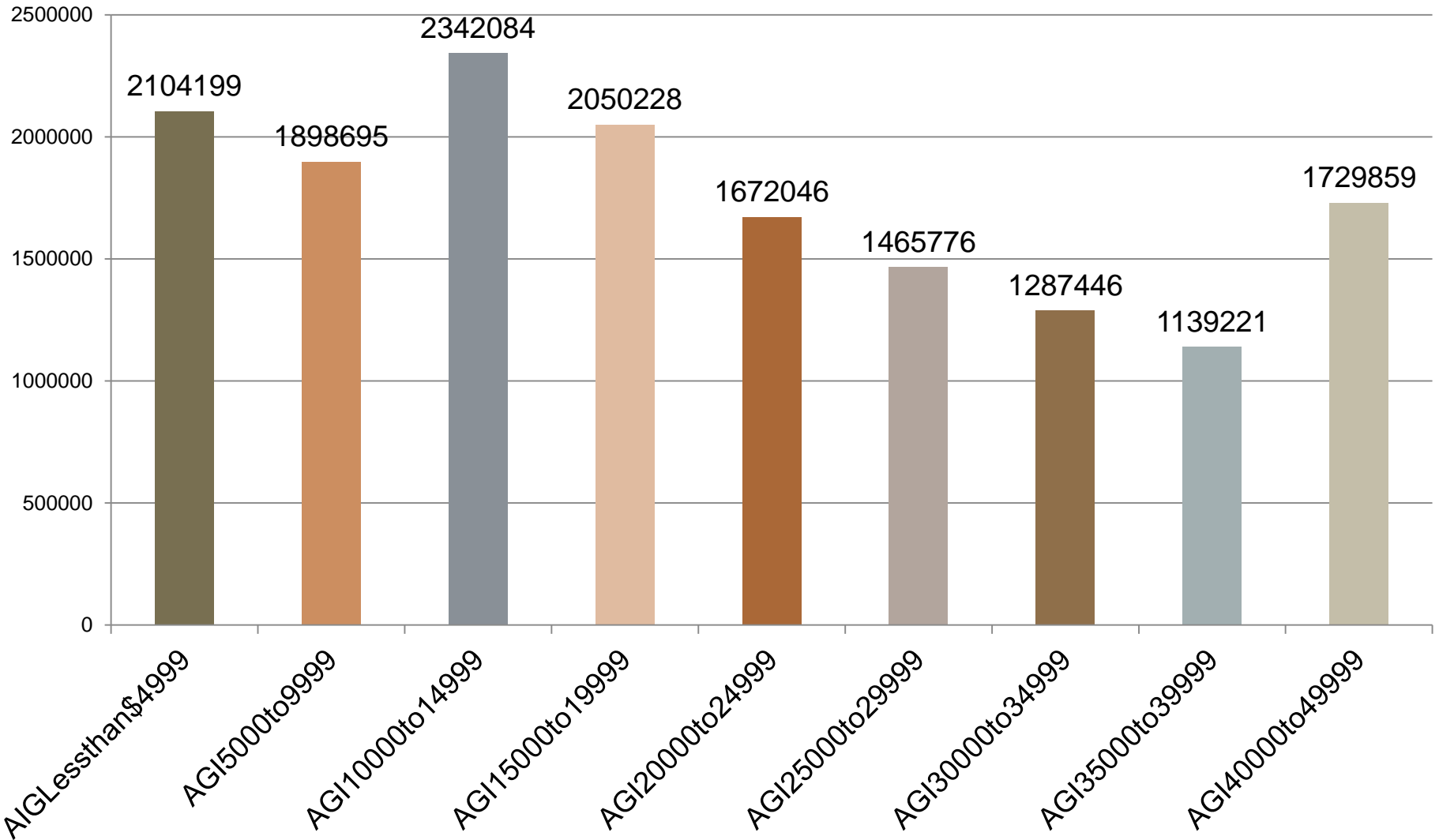
## Low Income Elderly Tax Filers: Tax Years 2004-2010



Source: IRS, Stakeholders, Partners, Education and Communication (SPEC) Unit, Tax Year 2010; percent filing Schedule C, SE, or F



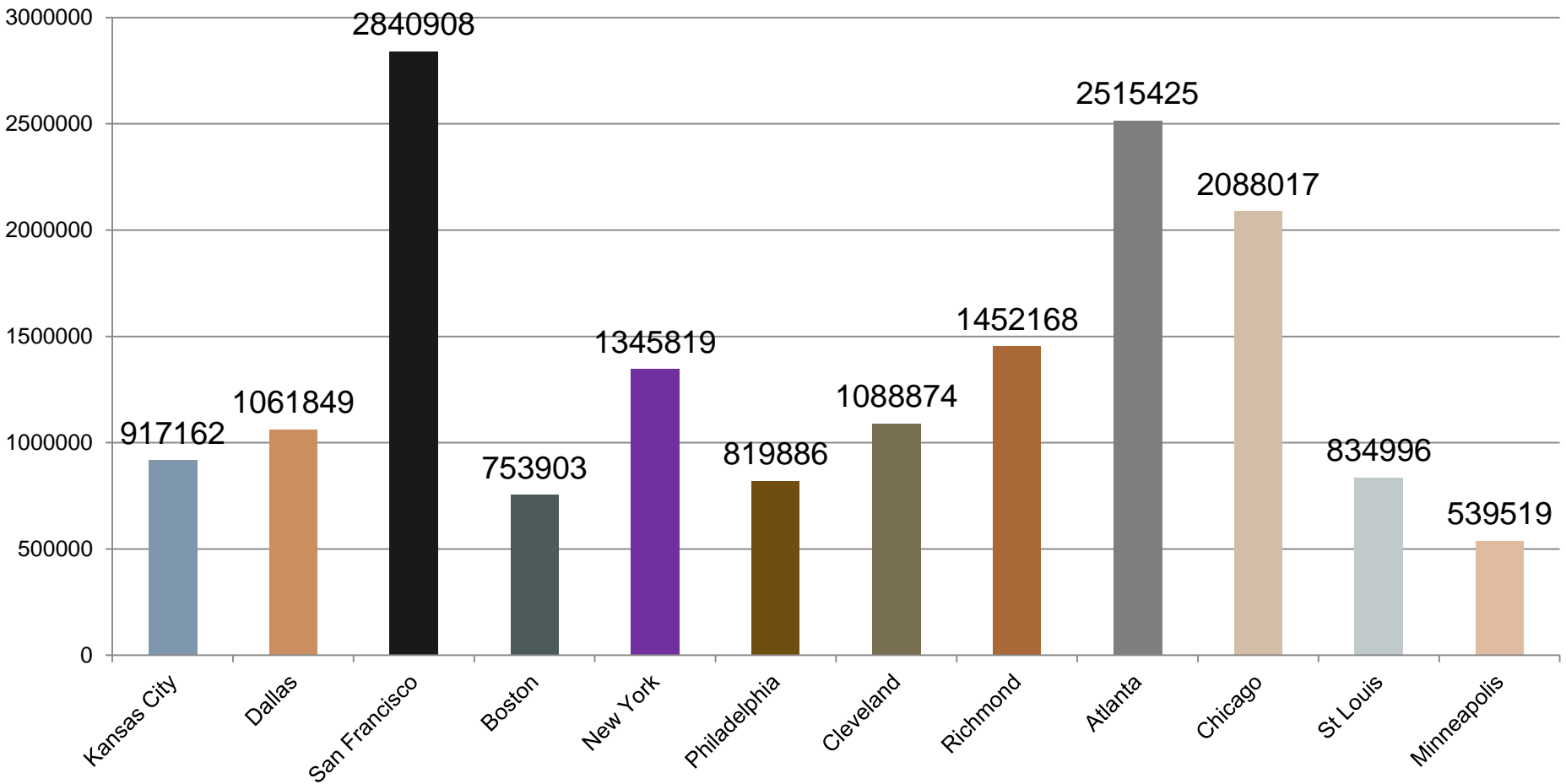
## Low Income Elderly Tax Filers, TY2010: All Reserve Bank Districts AGI Distribution



Source: IRS, Stakeholders, Partners, Education and Communication (SPEC) Unit, Tax Year 2010

# Summary Statistics by FRB Districts

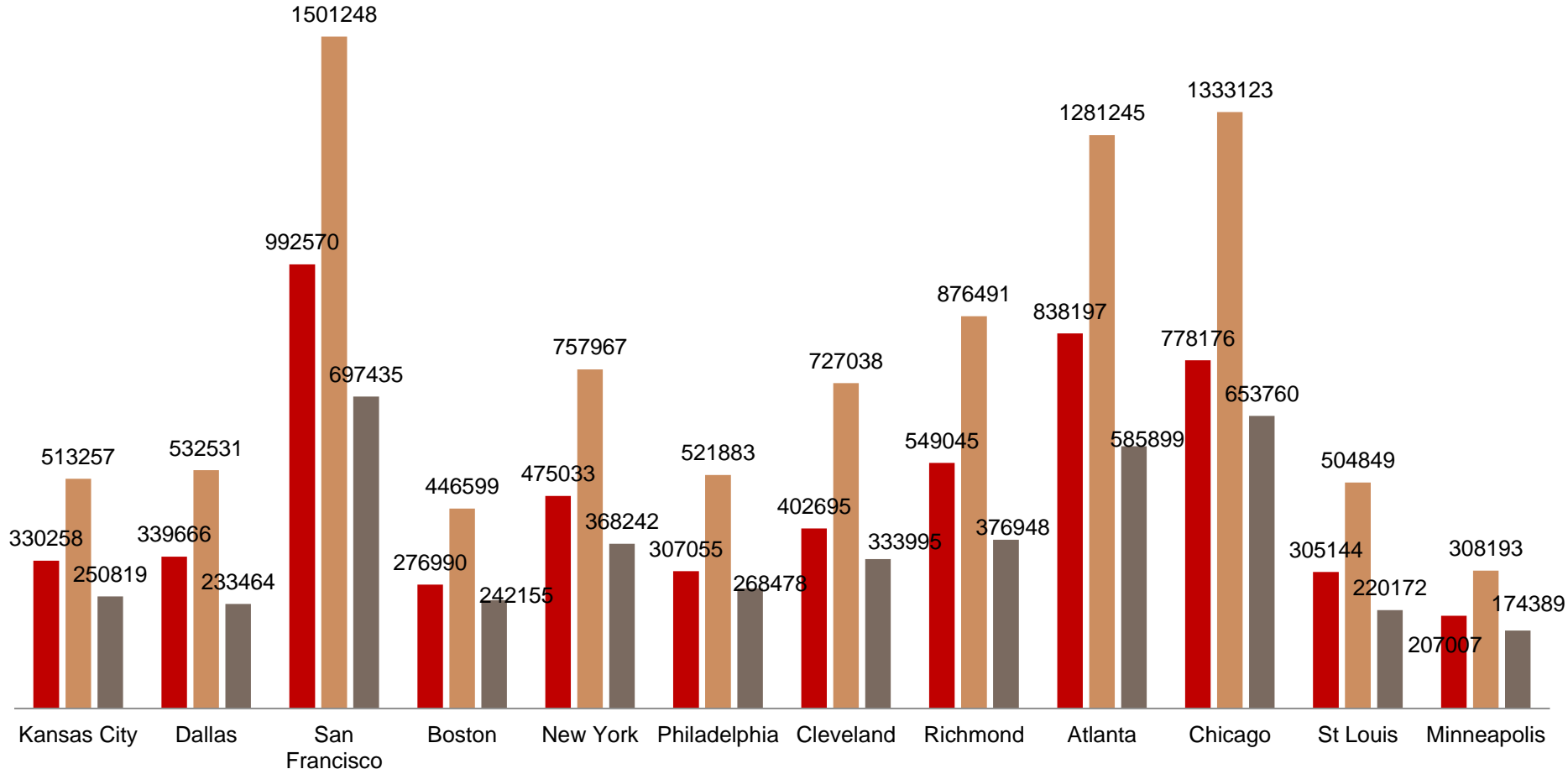
**FRB Total Returns-TY2010:  
Elders (60+) Low-Y (\$0-\$49,999)**



Source: IRS, Stakeholders, Partners, Education and Communication (SPEC) Unit, Tax Year 2010

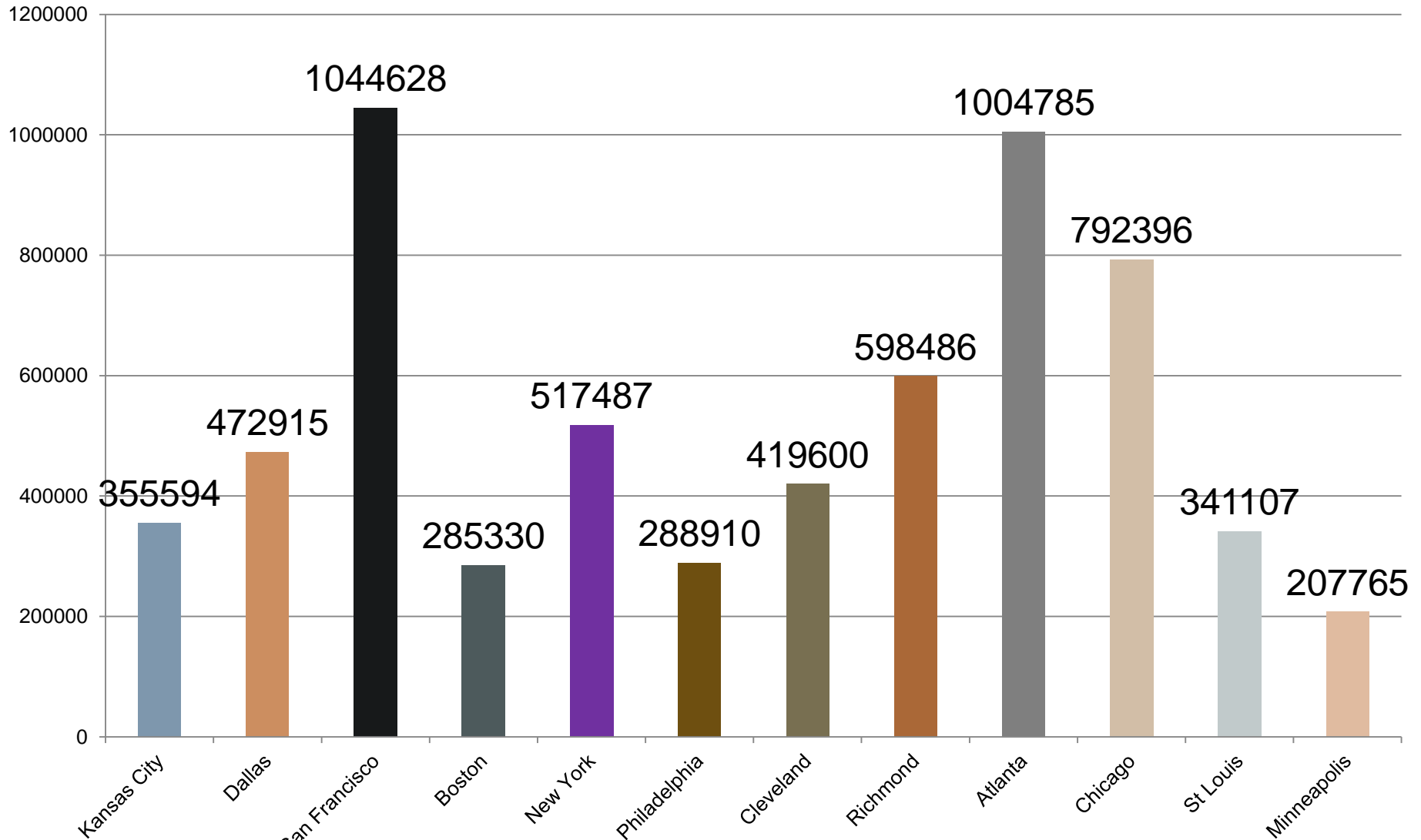
# Low Income Elderly, Tax Filers TY2010

- Sum of ReturnswithTaxableSocialSecurity
- Sum of ReturnswithTaxablePensions
- Sum of ReturnswithTaxableIRADistributions



Source: IRS, Stakeholders, Partners, Education and Communication (SPEC) Unit, Tax Year 2010

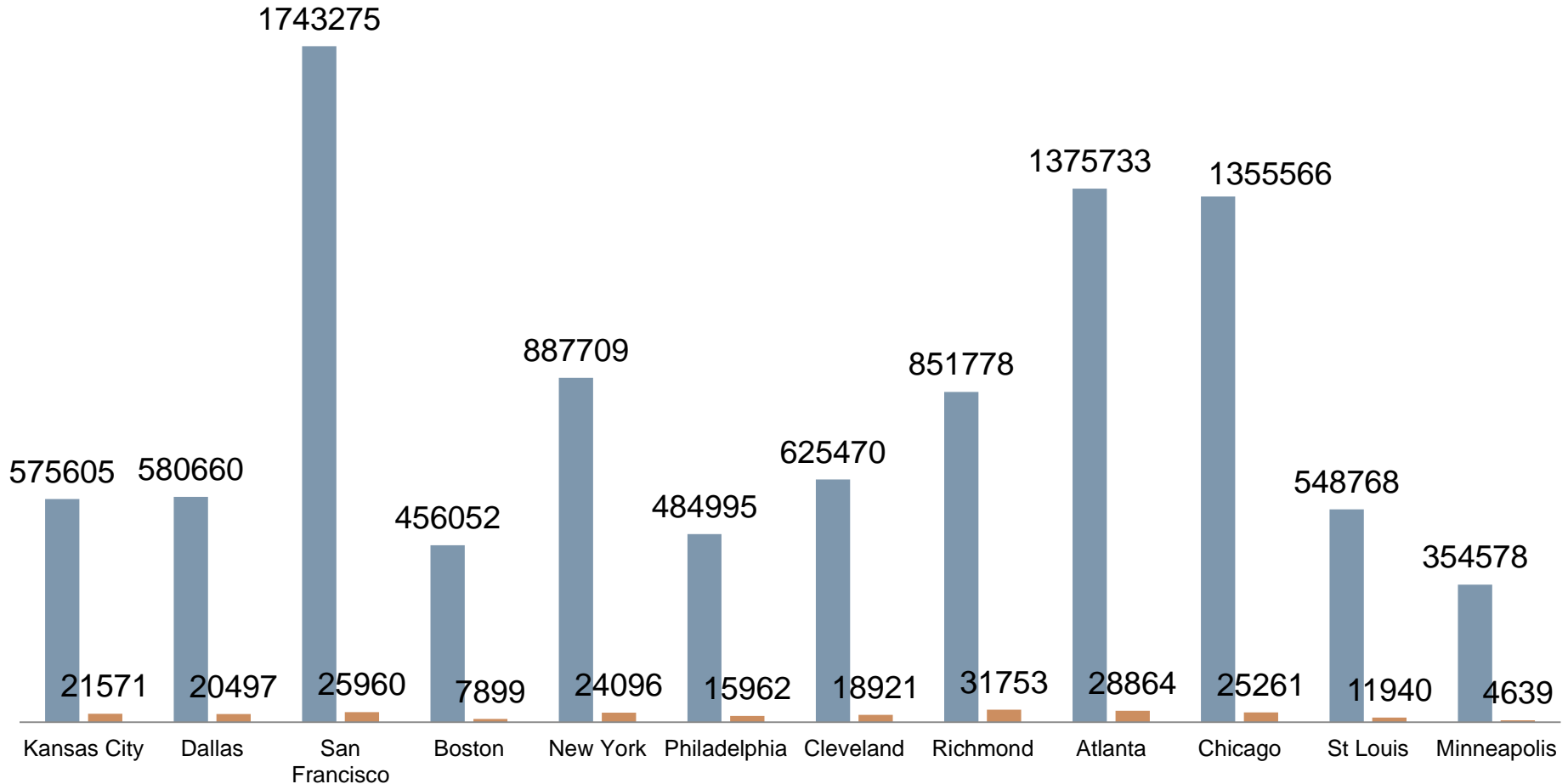
## FRB Returns with Taxable Wages: Elders (60+) Low-Y (\$0-\$49,999)



Source: IRS, Stakeholders, Partners, Education and Communication (SPEC) Unit, Tax Year 2010

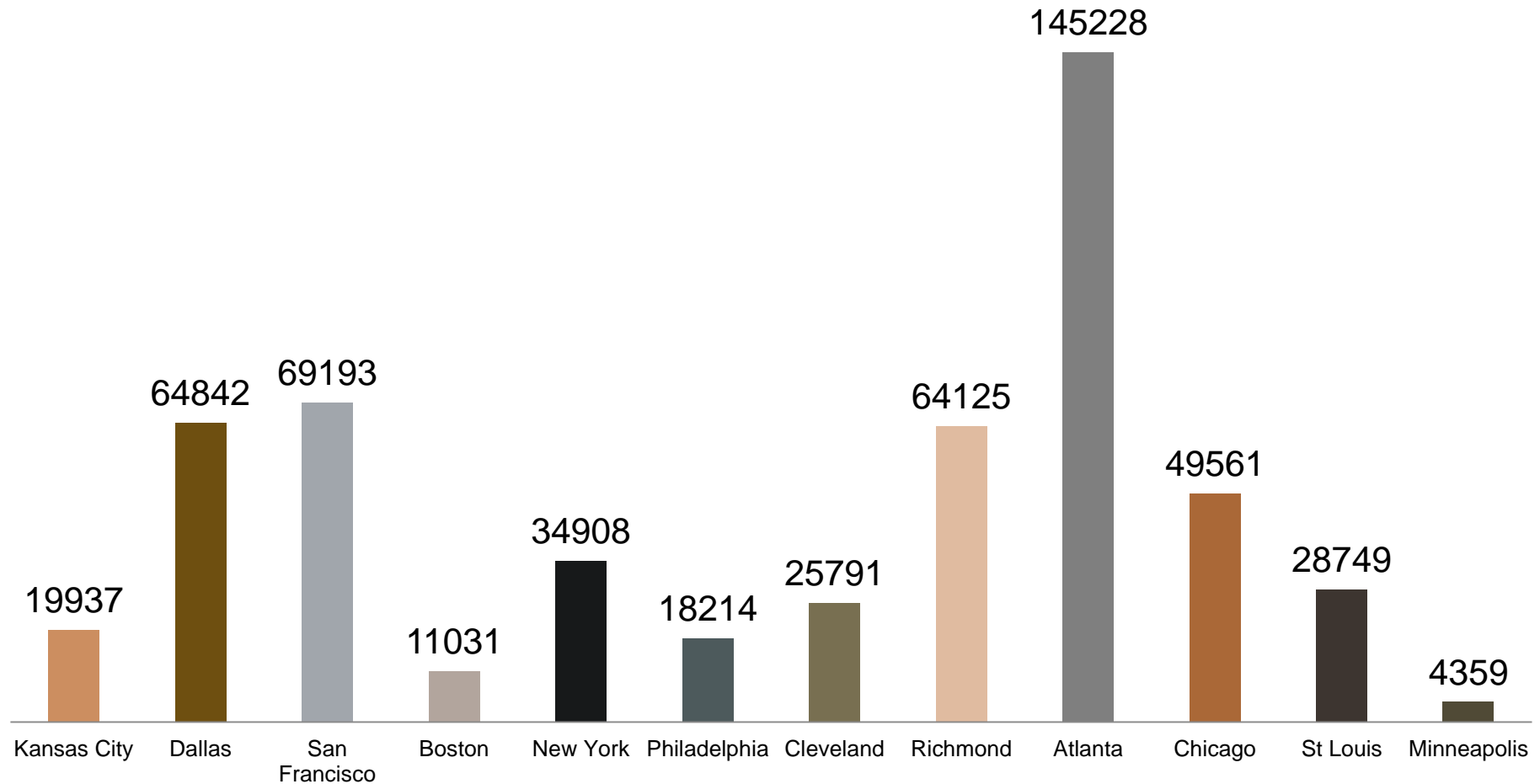
## Low Income Elderly Tax Filers, TY2010: Who Do They Pay to File Taxes?

■ Sum of PaidPreparer   ■ Sum of VITA



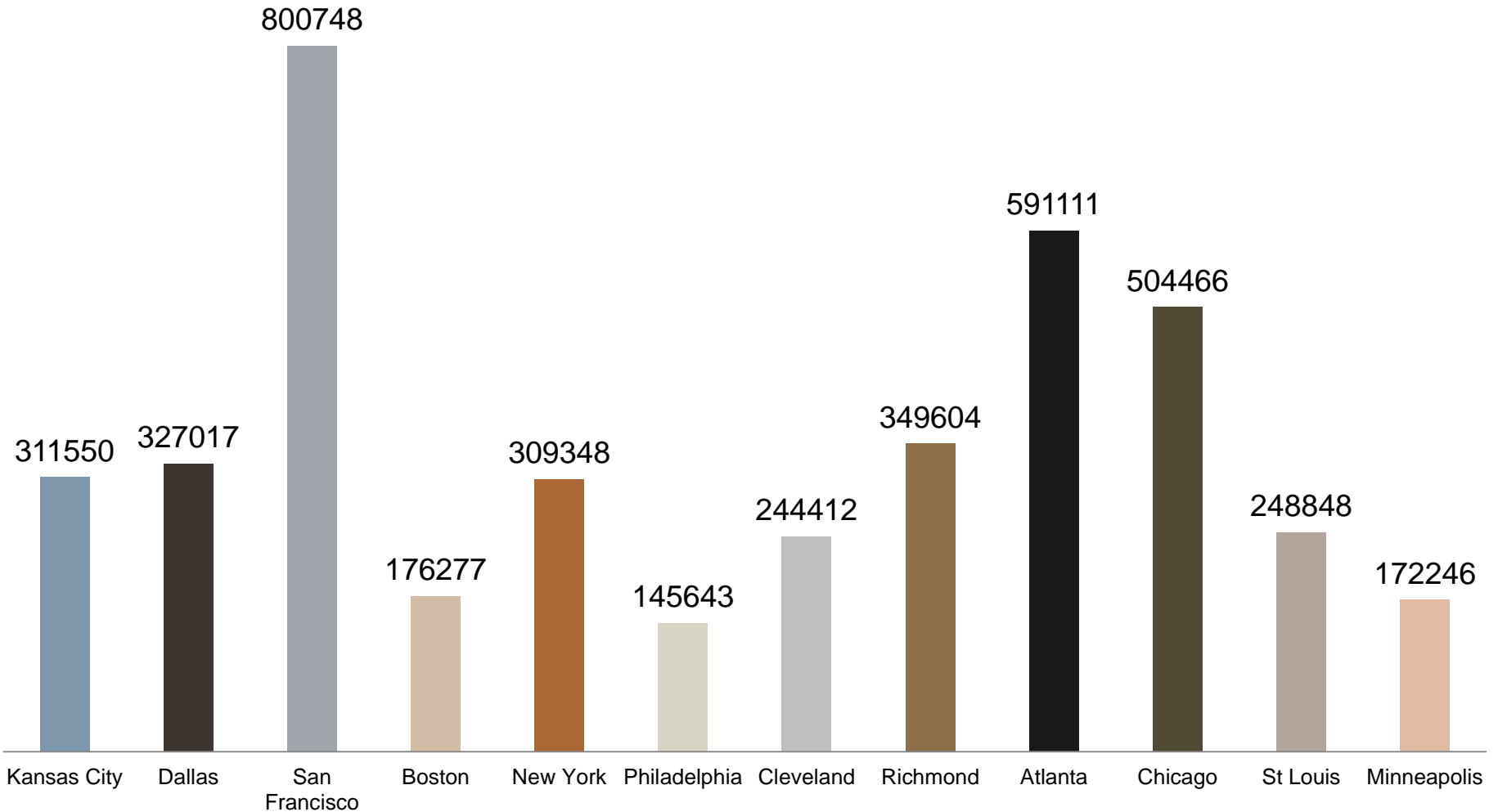
Source: IRS, Stakeholders, Partners, Education and Communication (SPEC) Unit, Tax Year 2010

# Low Income Elderly Tax Filers, TY2010: Requested Rapid Anticipation Refund Loans & Checks



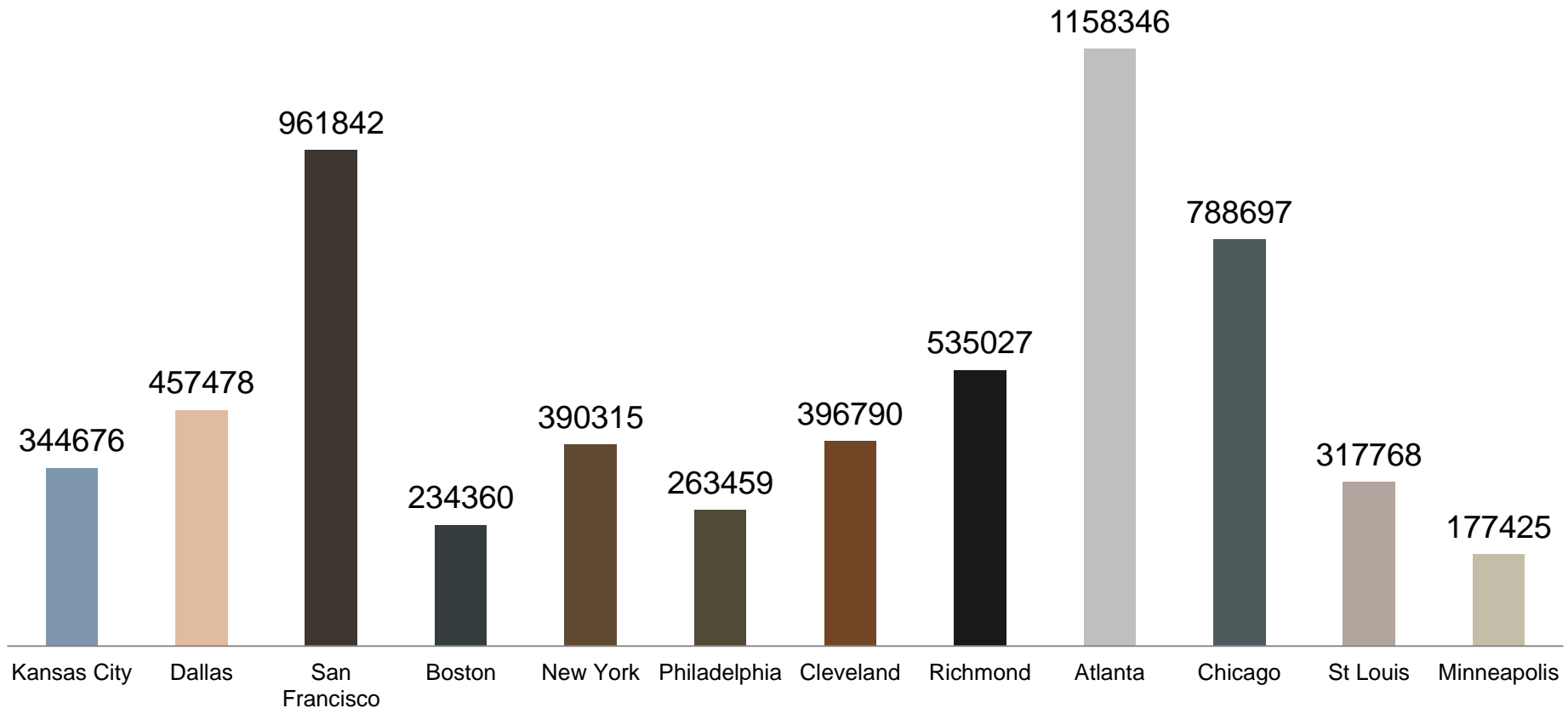
Source: IRS, Stakeholders, Partners, Education and Communication (SPEC) Unit, Tax Year 2010

# Low Income Elderly, TY2010: Filing a Schedule C, SE or F



Source: IRS, Stakeholders, Partners, Education and Communication (SPEC) Unit, Tax Year 2010

# Low Income Elderly Tax Filers, TY2010: Direct Deposit for Refund (Proxy for Bank Accounts)



Source: IRS, Stakeholders, Partners, Education and Communication (SPEC) Unit, Tax Year 2010



# Summary of Major Low Income Elder Tax Filers, TY2010 Indicators

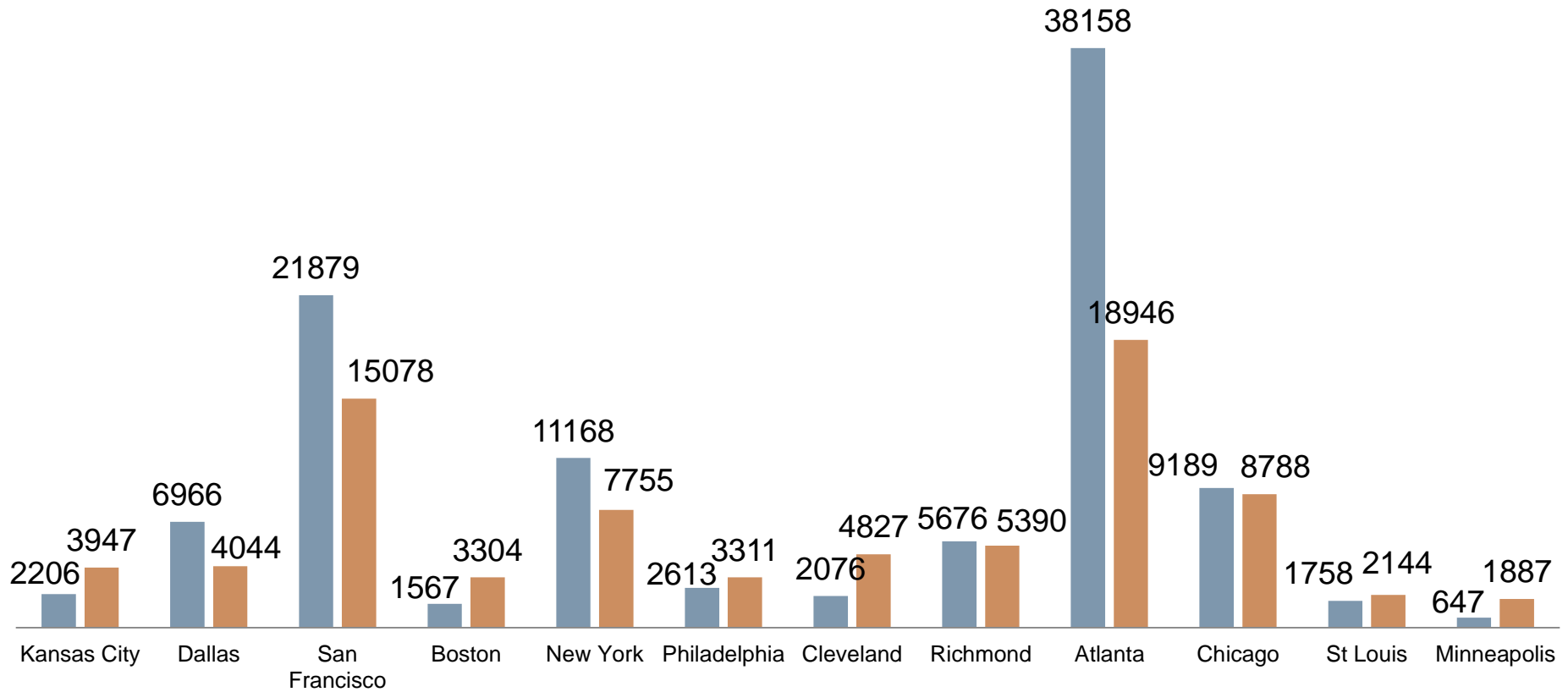
- 16 million plus tax filers (Total Low Income Elderly Returns)
- 6.3 million with Wages
- 10.8 million with Refunds
- 2.5 million with Taxes Owed
- 6 million plus with Direct Deposit (proxy for Bank Accounts)
- Half-million requested RALs or RACs
- 9.8 million paid to have their taxes filed
- ~ 1 million used VITA (Volunteer Income Tax Assistance) or TCE (Tax Counseling for the Elderly)
- ~183,000 with Education Credits or Student Loan Deductions

# So...Now What? Major Take-Aways

- Significant number of Low Y Elderly are being taxed on Social Security Earnings (~5.8 million plus) which means....
- Significant number of Low Y Elderly are working beyond what Social Security allows WITHOUT dinging your Social Security check
- Over 4 million filing with a Schedule C, SE or F
- 1.2 million Low Income Elders filing EITC and 156,000+ with Child Tax Credit (Note: To receive the EITC you can be single and receive max \$475 EITC refund with income maxed out at \$13,460...the higher your income the less amount of EITC credit received)
- Low Income Elderly pay to get their taxes filed

# Low Income Elderly, TY2010: Returns with Education Credits & Student Loan Deduction

- Sum of ReturnswithEducationCredits
- Sum of ReturnswithStudentLoanDeduction



Source: IRS, Stakeholders, Partners, Education and Communication (SPEC) Unit, Tax Year 2010

# QUESTIONS?

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Senior Research Liaison  
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