

The State of the Social Security Trust Fund

September 2022

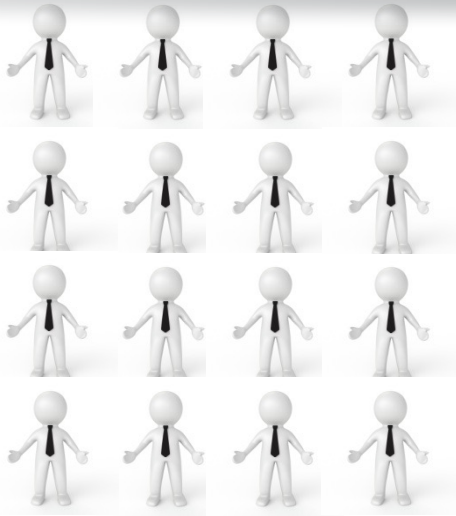


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The Number of Workers Per Retiree Is Falling

1950



1960



2016



2035



16:1



5:1



3:1

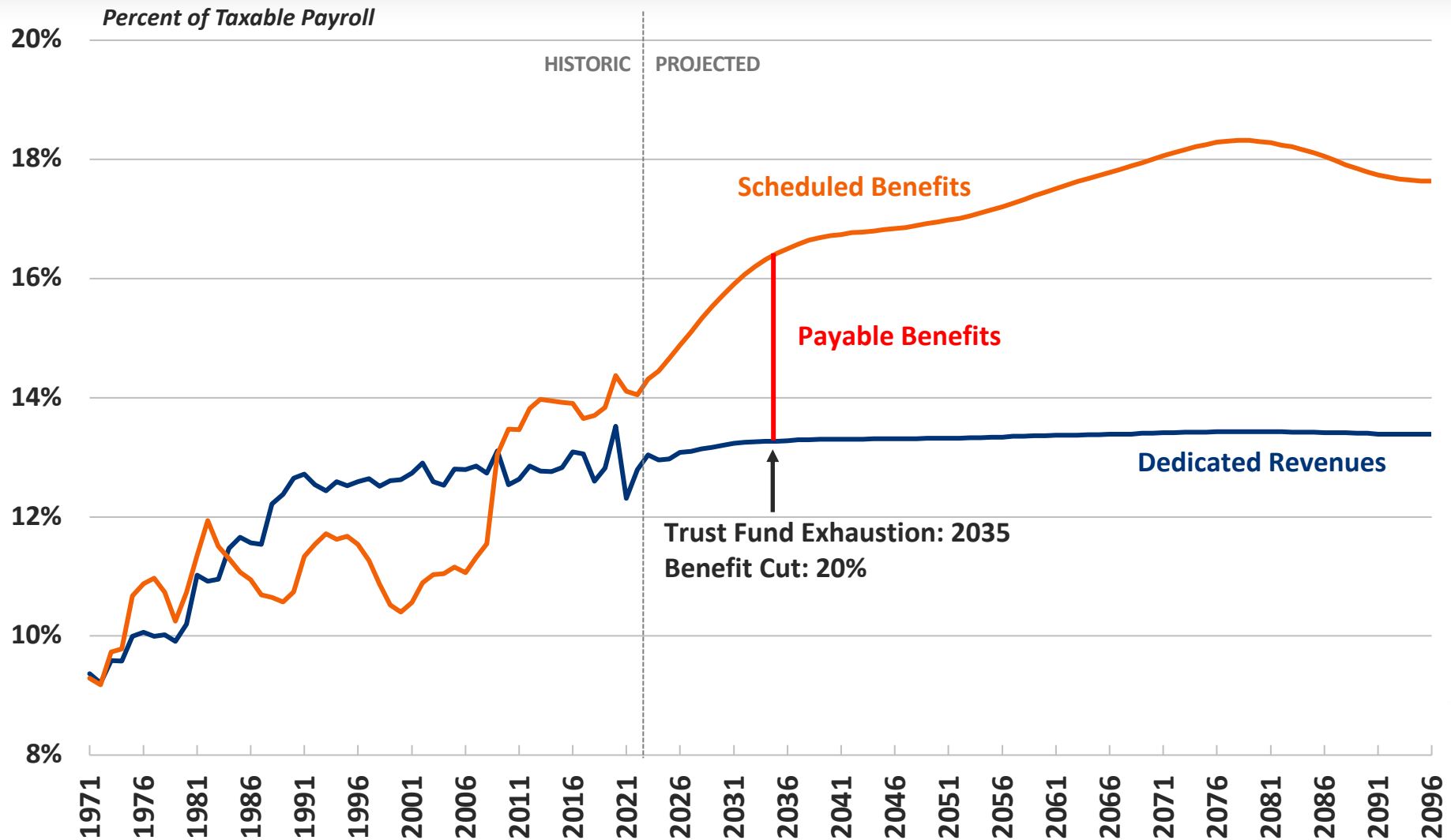


2:1



Source: 2016 Social Security Trustees Report.

And Social Security Costs Far Exceed Revenues

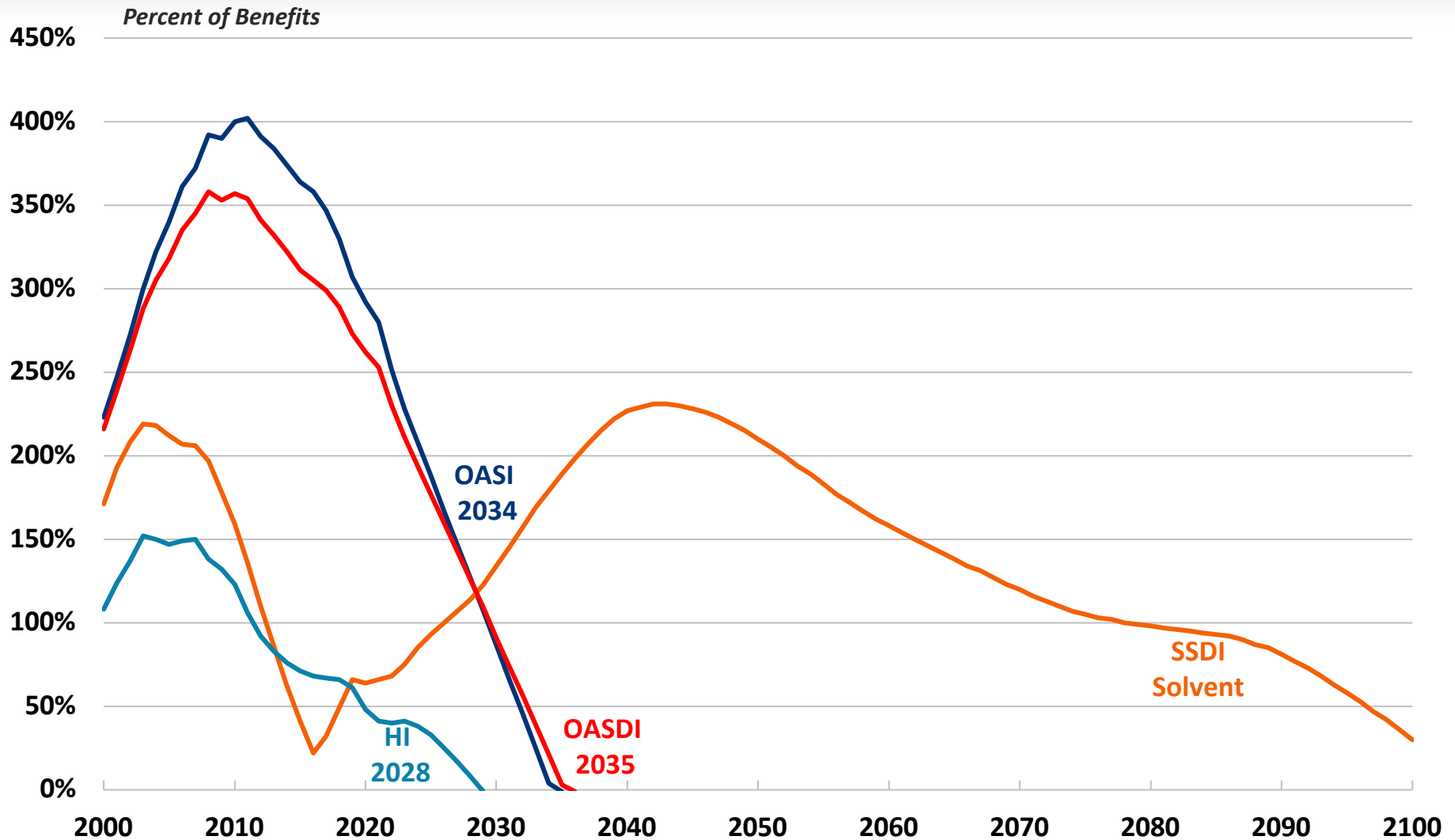


Note: Chart depicts historic and projected costs and income for the theoretically combined Social Security Old Age and Survivors Insurance and Disability Insurance (OASDI) trust fund.


Source: Social Security Administration.



Insolvency is Only 13 Years Away



How Far Away is 13 Years?



How Old Will You Be When Social Security's Funds Run Out?

Enter your year of birth:

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<http://www.crfb.org/blogs/how-old-will-you-be-when-social-securitys-funds-run-out>

If You are 65 Today...



How Old Will You Be When Social Security's Funds Run Out?

Enter your year of birth:

Social Security's trust funds will run out when you are: **78 years old**

Unless the law is changed, your retirement benefits will be **cut by 20% in 2035**

To prevent this cut, we must work together to make Social Security solvent.

[Design your own fix here.](#)



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If You are 53 Today...



How Old Will You Be When Social Security's Funds Run Out?

Enter your year of birth:

Social Security's trust funds will run out when you are: **66 years old**

Under current law, your retirement benefits will be **cut 19%** below what is scheduled.

For a typical person, that's a **\$95,729 cut** in lifetime benefits. *

To prevent this cut, we must work together to make Social Security solvent.

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If You are 25 Today...

SOCIAL SECURITY

How Old Will You Be When Social Security's Funds Run Out?

Enter your year of birth:

Social Security's trust funds will run out when you are: **38 years old**

Under current law, your retirement benefits will be **cut 23%** below what is scheduled.

For a typical person, that's a **\$175,410 cut** in lifetime benefits. *

To prevent this cut, we must work together to make Social Security solvent.

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If You are 5 Years Old Today...



How Old Will You Be When Social Security's Funds Run Out?

Enter your year of birth:

Social Security's trust funds will run out when you are: **18 years old**

Under current law, your retirement benefits will be **cut 25%** below what is scheduled.

For a typical person, that's a **\$244,438 cut** in lifetime benefits. *

To prevent this cut, we must work together to make Social Security solvent.

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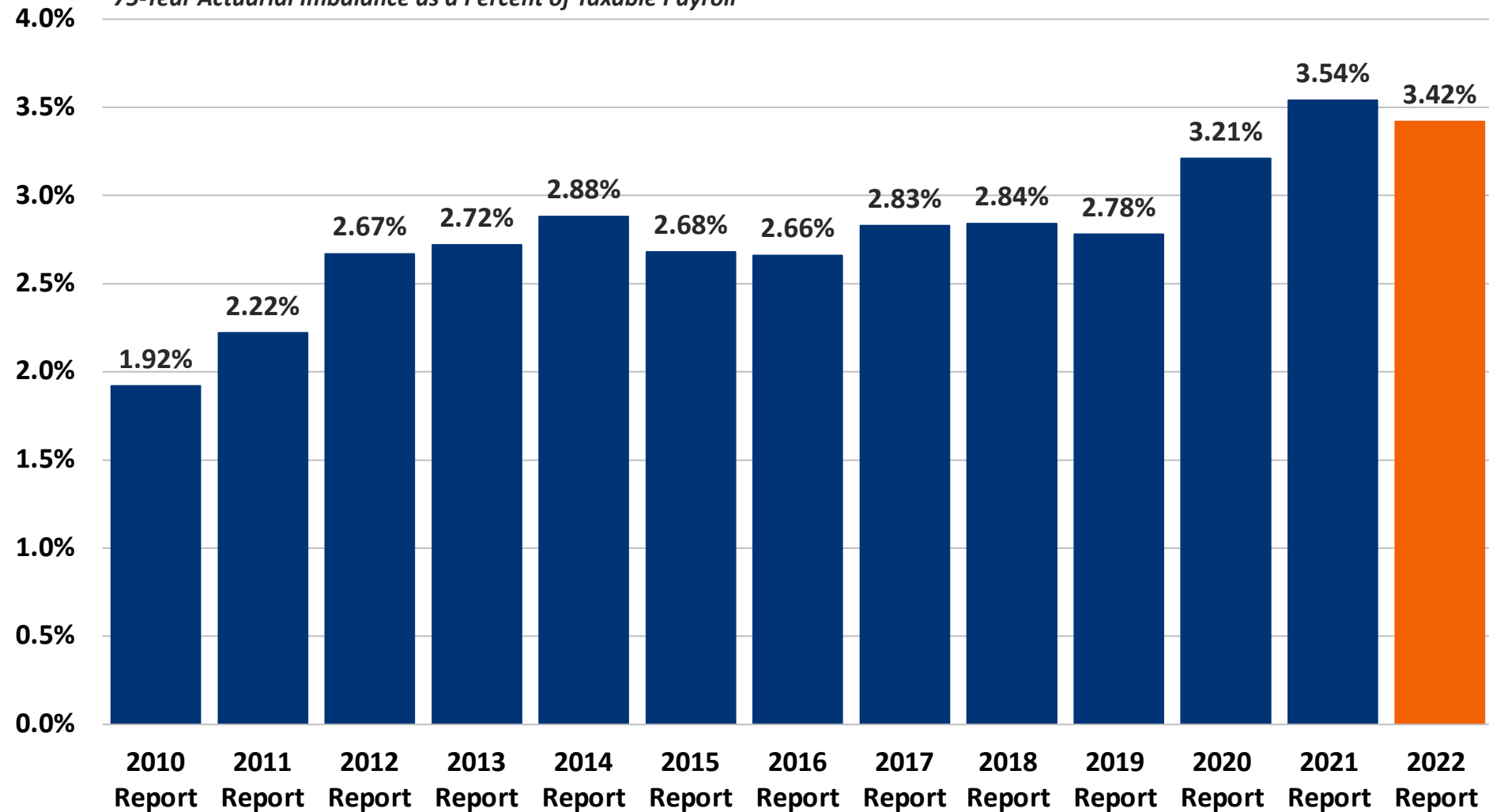


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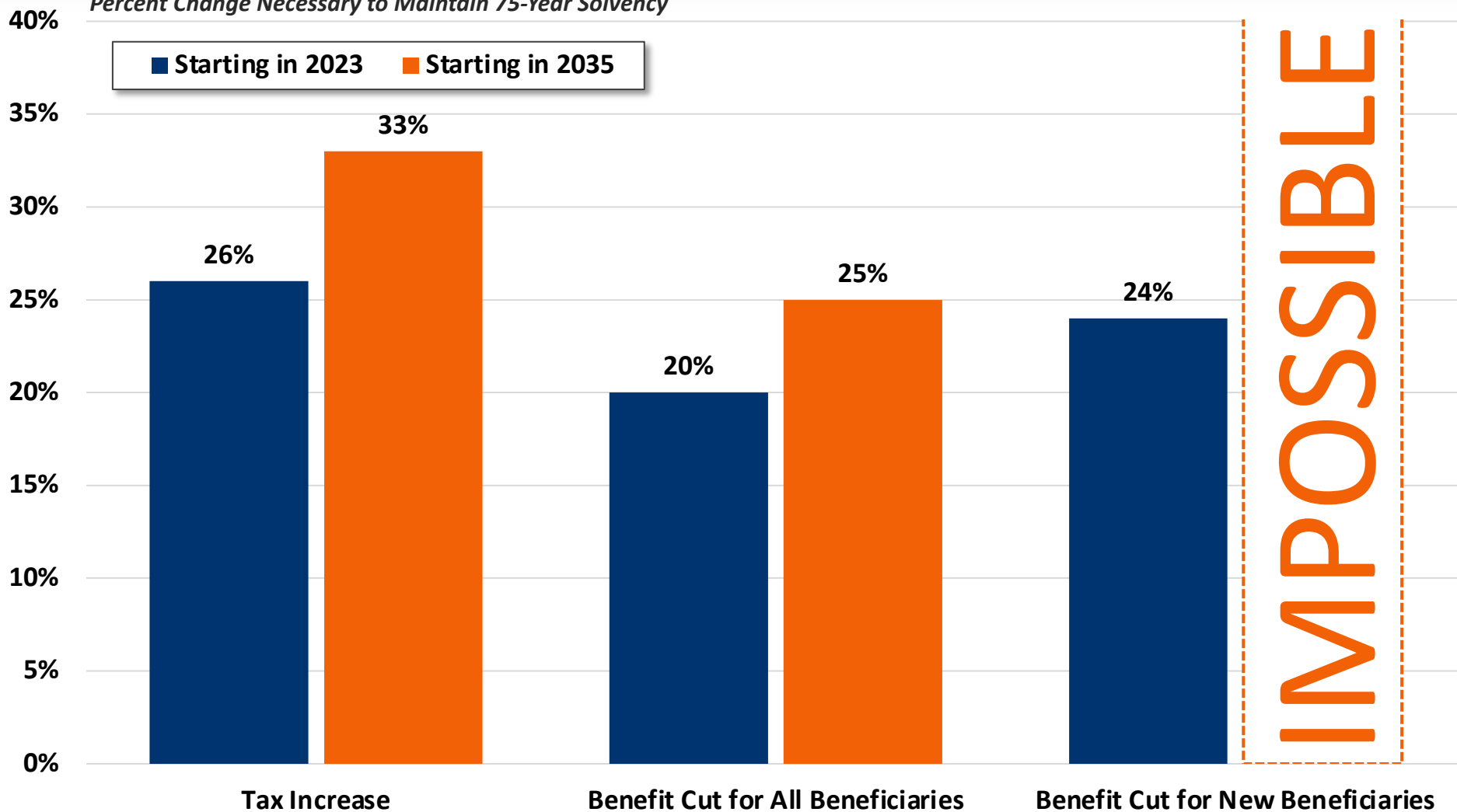
Social Security Faces a 3.4% of Payroll Shortfall

75-Year Actuarial Imbalance as a Percent of Taxable Payroll



Restoring Solvency Requires Major Adjustments

Percent Change Necessary to Maintain 75-Year Solvency



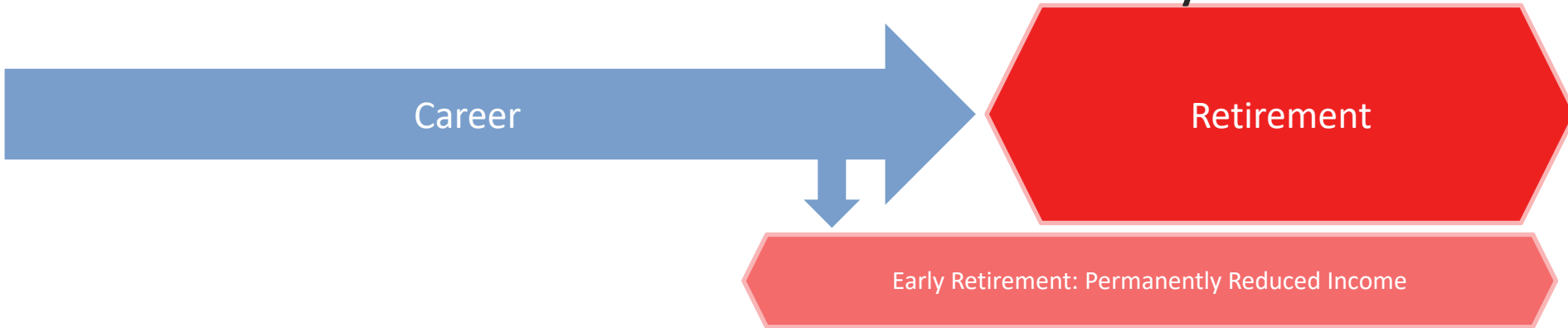
But There Are Many Solvency Options

1. **Payroll Tax Rate** – increase current rate from 12.4%
2. **Payroll Tax Base/Cap** – raise \$150,00 cap or expand income subject to the tax
3. **Benefit Formula** – slow benefit growth for higher earners or reform formula to promote work.
4. **Retirement Age** – raise age from 67 and/or index the age for life expectancy
5. **Cost-of-Living Adjustments (COLA)** – chained CPI?

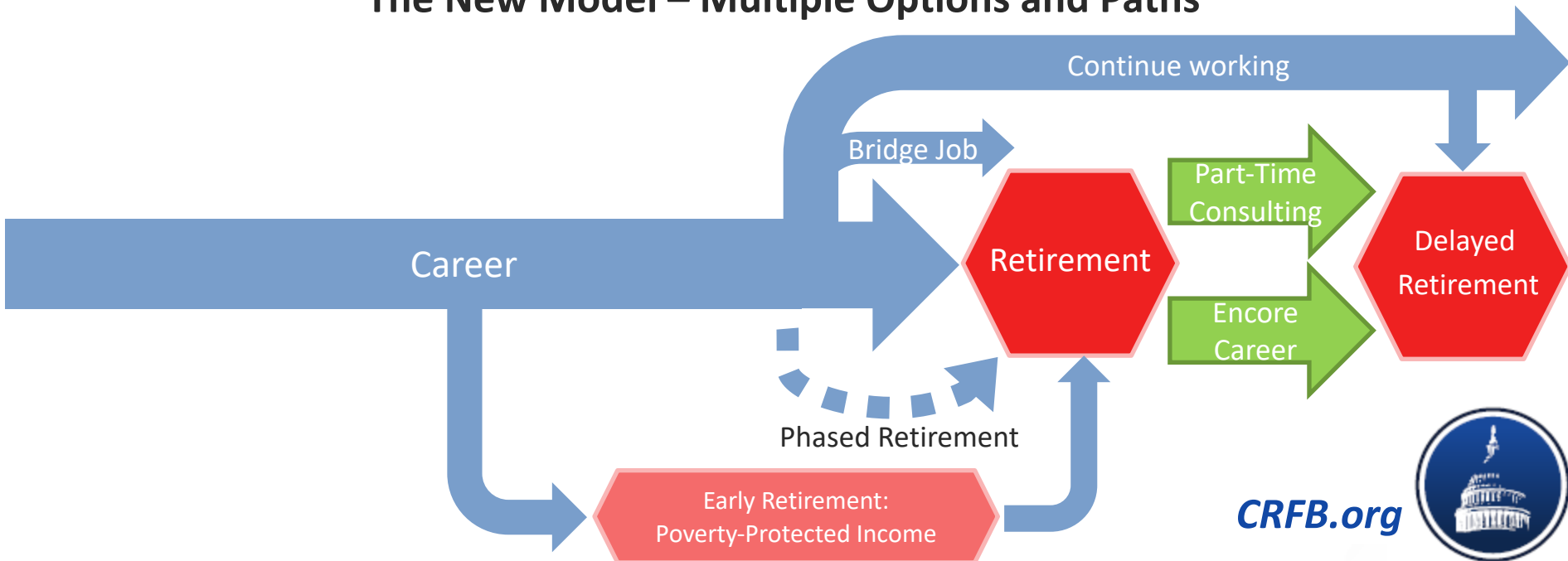


Is It Time to Rethink Retirement?

The Old Model – One-Size-Fits-All and Binary



The New Model – Multiple Options and Paths



Time Is Running Out for Trust Fund Solutions

HIGHWAY INSOLVENCY COUNTDOWN

The Highway system will be forced to start cutting benefits by 2027. What can we do?

YEARS	MONTHS	DAYS	HOURS	MINUTES	SECONDS
05	00	27	23	32	23



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MEDICARE INSOLVENCY COUNTDOWN

The Medicare system will be forced to start cutting benefits by 2028. What can we do?

YEARS	MONTHS	DAYS	HOURS	MINUTES	SECONDS
05	06	28	22	33	57



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SOCIAL SECURITY COUNTDOWN

The Social Security system will be forced to start cutting benefits by 2035. What can we do?

YEARS	MONTHS	DAYS	HOURS	MINUTES	SECONDS
12	07	28	22	31	14



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For more visit www.crfb.org/projects/trust-fund-solutions

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