The State of the Social Security Trust Fund
September 2022
The Number of Workers Per Retiree Is Falling


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And Social Security Costs Far Exceed Revenues

HISTORIC  PROJECTED

Percent of Taxable Payroll


Scheduled Benefits
Payable Benefits
Trust Fund Exhaustion: 2035
Benefit Cut: 20%

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

Sources: Social Security Administration and Centers for Medicare and Medicaid Services.

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How Far Away is 13 Years?

If You are 65 Today...

How Old Will You Be When Social Security’s Funds Run Out?
Enter your year of birth: 1957

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.

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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: 1969

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

Enter your year of birth: 1997

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 solvenst.

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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: 2017

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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Social Security Faces a 3.4% of Payroll Shortfall

75-Year Actuarial Imbalance as a Percent of Taxable Payroll

Source: Social Security Administration.
Restoring Solvency Requires Major Adjustments

Percent Change Necessary to Maintain 75-Year Solvency

- **Tax Increase**: 26% (Starting in 2023), 33% (Starting in 2035)
- **Benefit Cut for All Beneficiaries**: 20%, 25%
- **Benefit Cut for New Beneficiaries**: 24%

*Source: Social Security Administration.*
But There Are Many Solvency Options

1. Payroll Tax Rate – increase current rate from 12.4%

2. Payroll Tax Base/Cap – raise $150,000 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

Career → Retirement

Early Retirement: Permanently Reduced Income

The New Model – Multiple Options and Paths

Career → Continue working → Retire → Delayed Retirement

Bridge Job

Part-Time Consulting

Encore Career

Phased Retirement

Early Retirement: Poverty-Protected Income

Consulting

Time Is Running Out for Trust Fund Solutions

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

Source: Committee for a Responsible Federal Budget.