

# The State of the Social Security & Medicare Trust Funds

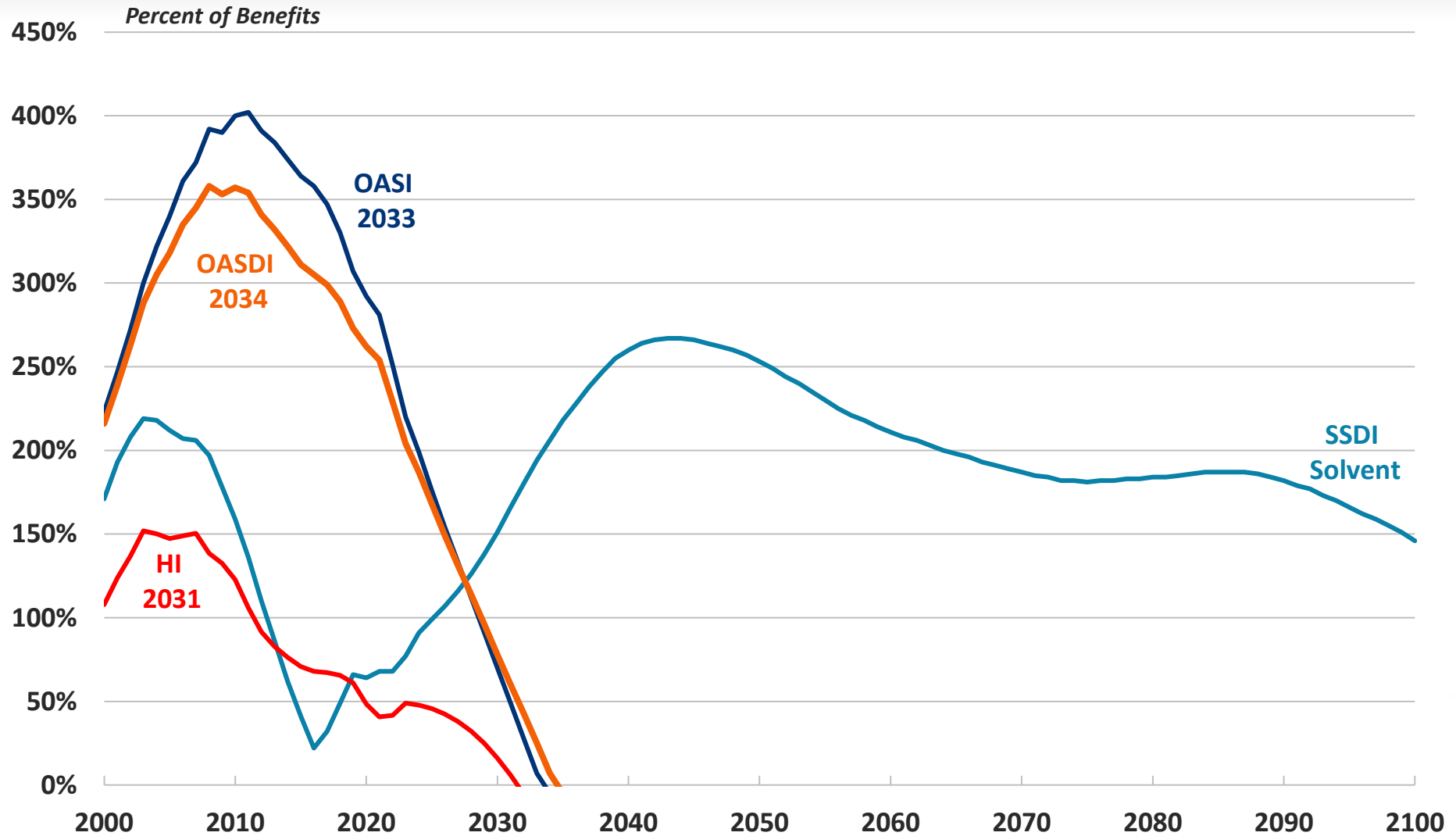
April 2023



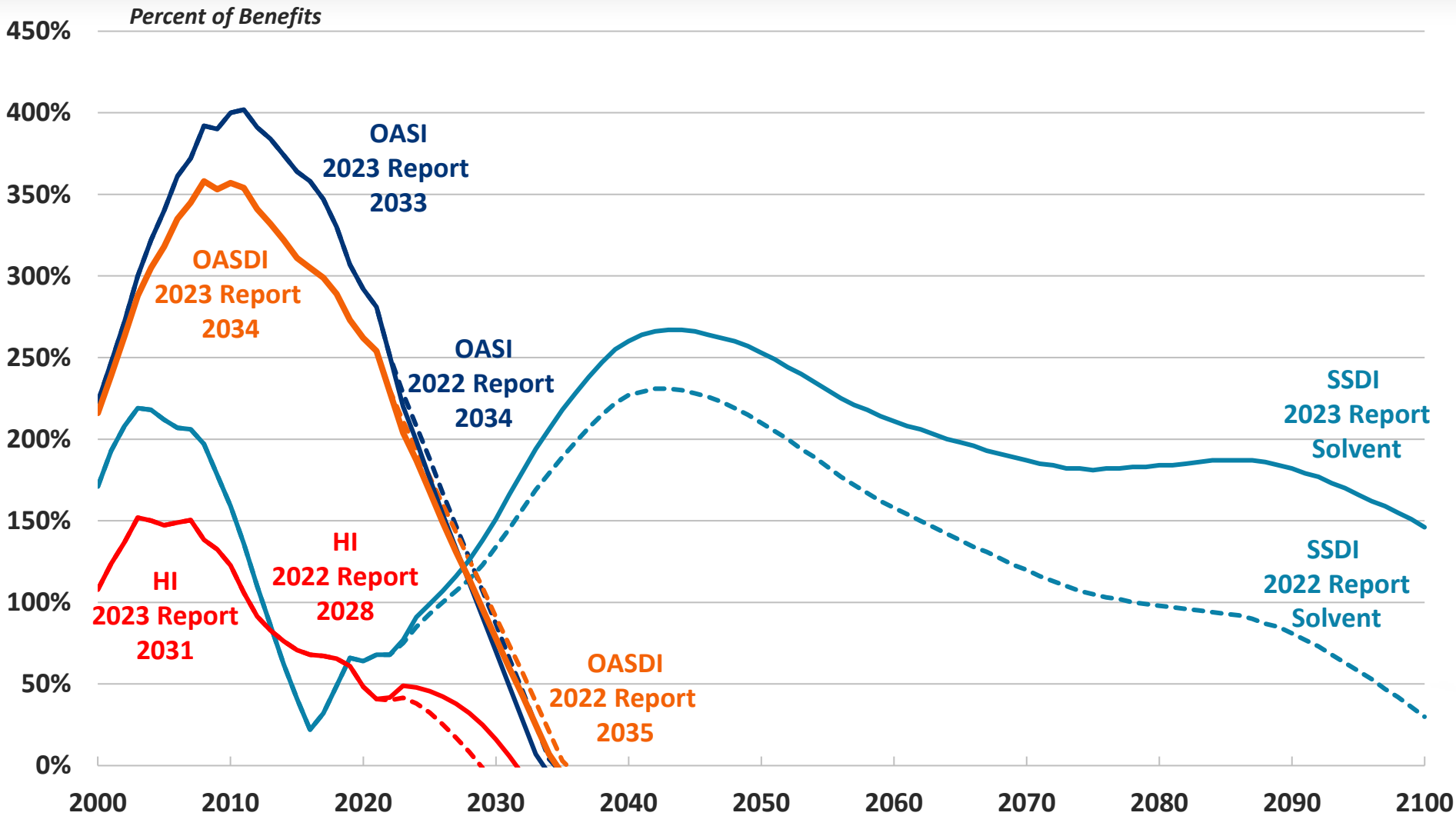
**COMMITTEE FOR A  
RESPONSIBLE FEDERAL BUDGET**

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# Social Security & Medicare Are Nearing Insolvency

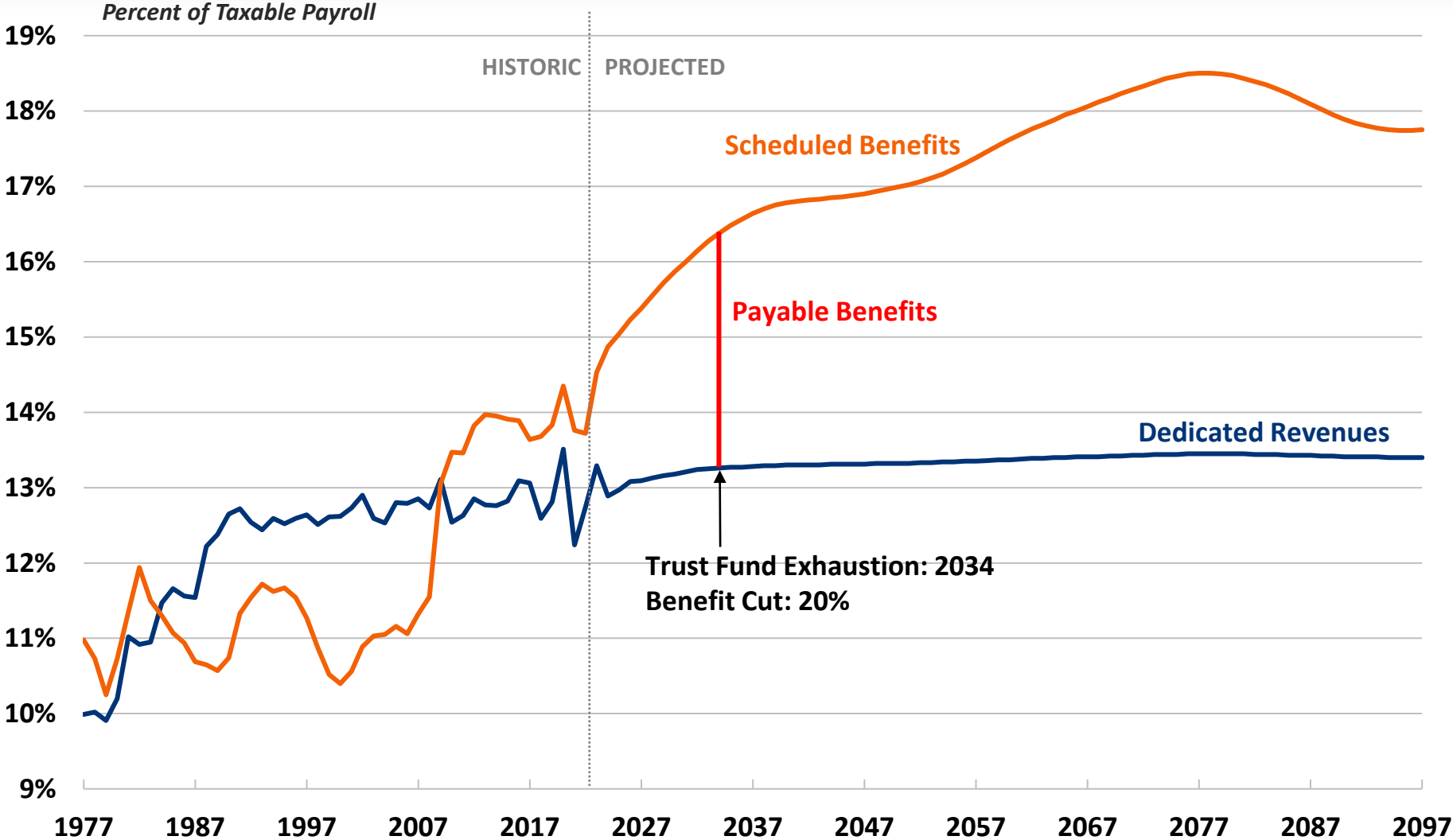


# Social Security & Medicare Are Nearing Insolvency



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

# Social Security Costs Far Exceed Revenues

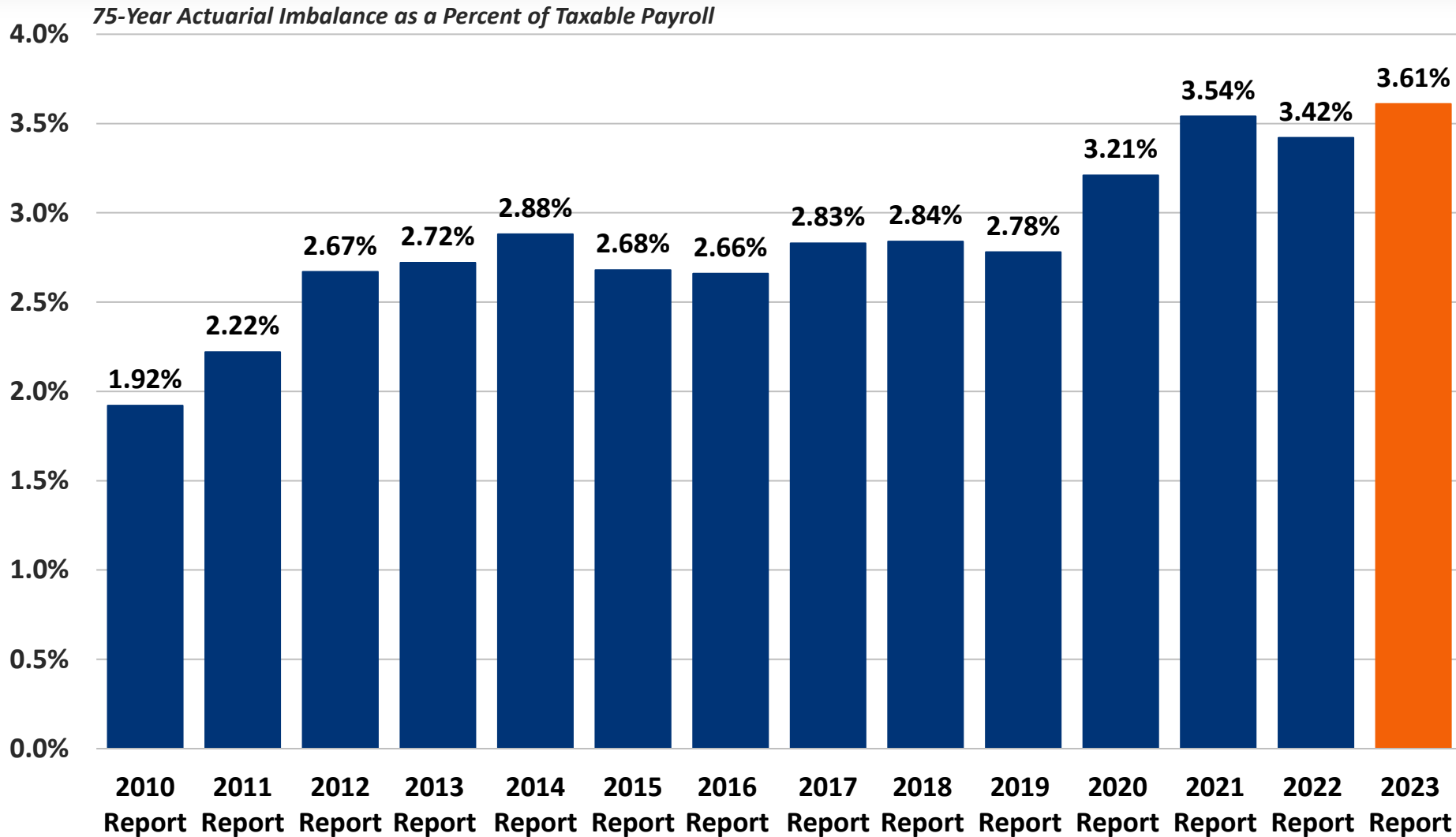


Note: Chart depicts historic and projected costs and income for the theoretically combined Social Security Old Age and Survivors Insurance and Disability Insurance (OASDI) trust fund.

Source: Social Security Administration.



# Social Security Faces a 3.6% of Payroll Shortfall



# Social Security's Finances Have Worsened

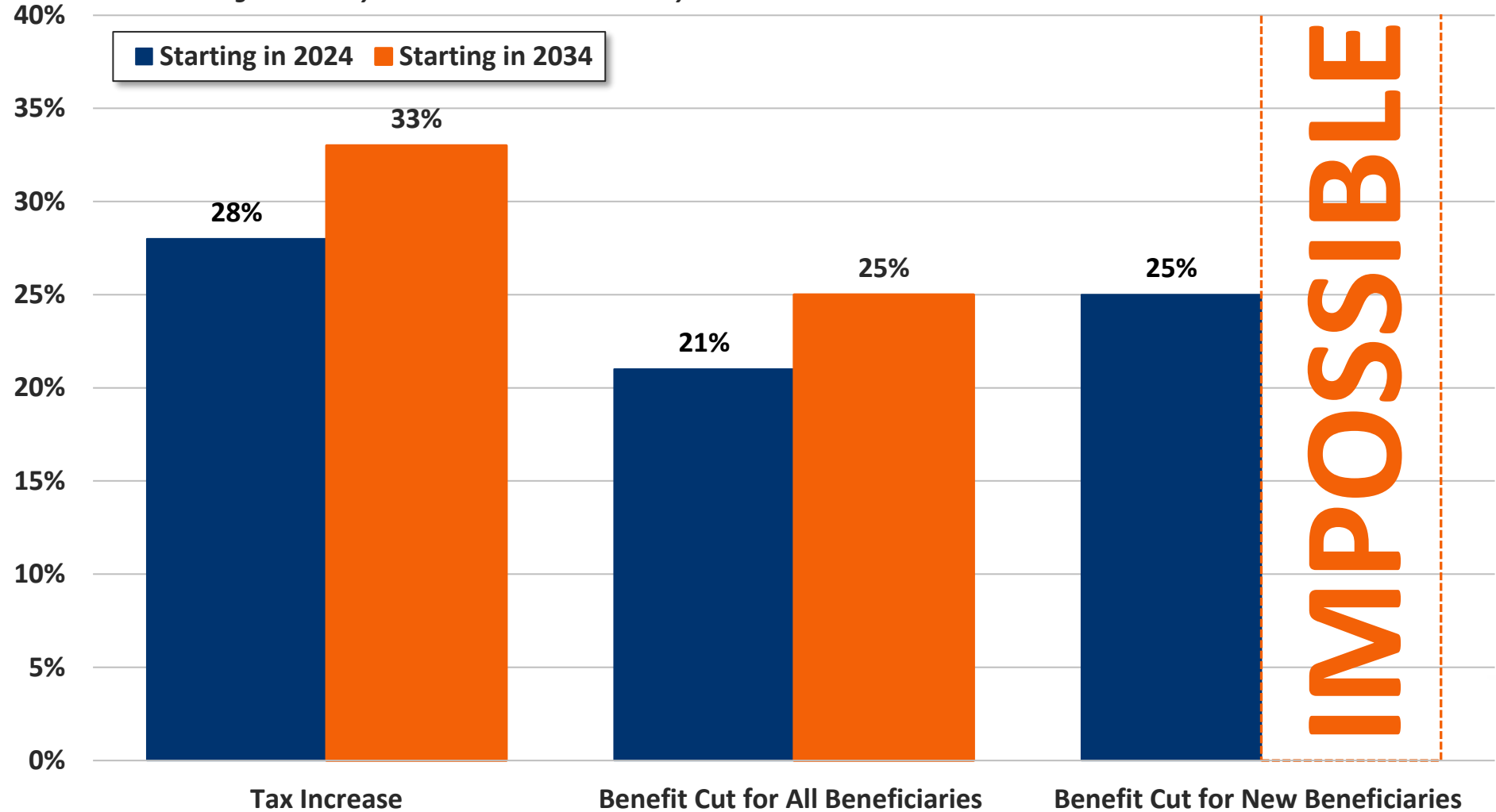
	Effect on 75-Year Social Security Shortfall	Trust Fund Ratio in 2032 (Percent of Benefits)
<b>75-Year Actuarial Imbalance in 2022 Report</b>	<b>-3.42%</b>	<b>57%</b>
Higher Inflation and Lower Real Output	0.13%	-20%
Change in Other Economic Assumptions	+0.09%	
Change in Demographic Assumptions	-0.03%	+4%
Change in Disability Assumptions	+0.01%	+2%
New Programmatic Data	-0.01%	
Changes in Methods	-0.05%	+0%
Legislation and Regulations	+0.00%	+0%
Shifting of 75-Year Window	-0.05%	n/a
<b>75-Year Actuarial Imbalance in 2023 Report</b>	<b>-3.61%</b>	<b>43%</b>

Note: The effect on the 75-year shortfall is shown as a percent of taxable payroll.

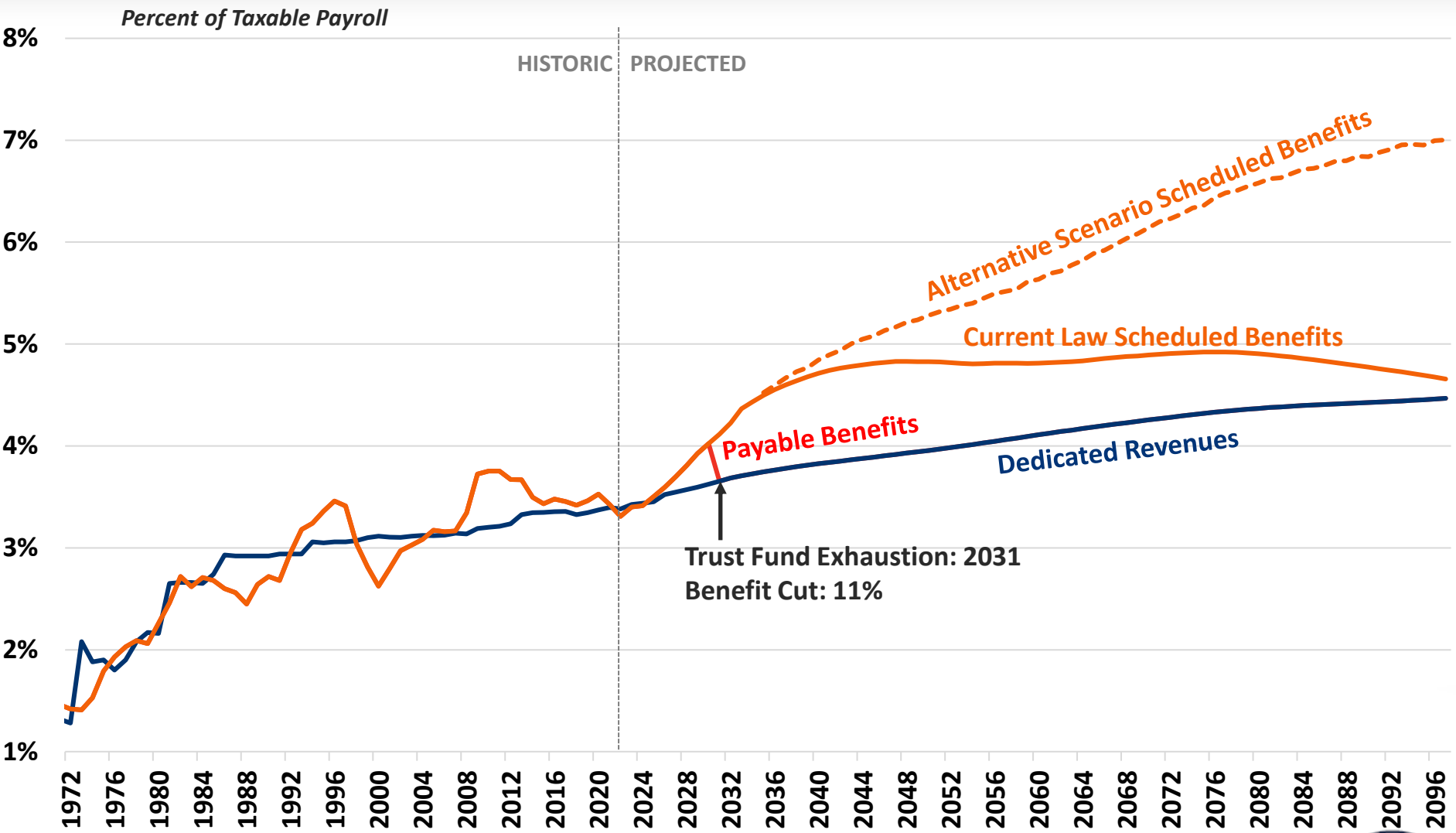
Source: Social Security Administration.

# Restoring Solvency Requires Major Adjustments

Percent Change Necessary to Maintain 75-Year Solvency



# Medicare Part A Faces Growing Imbalances

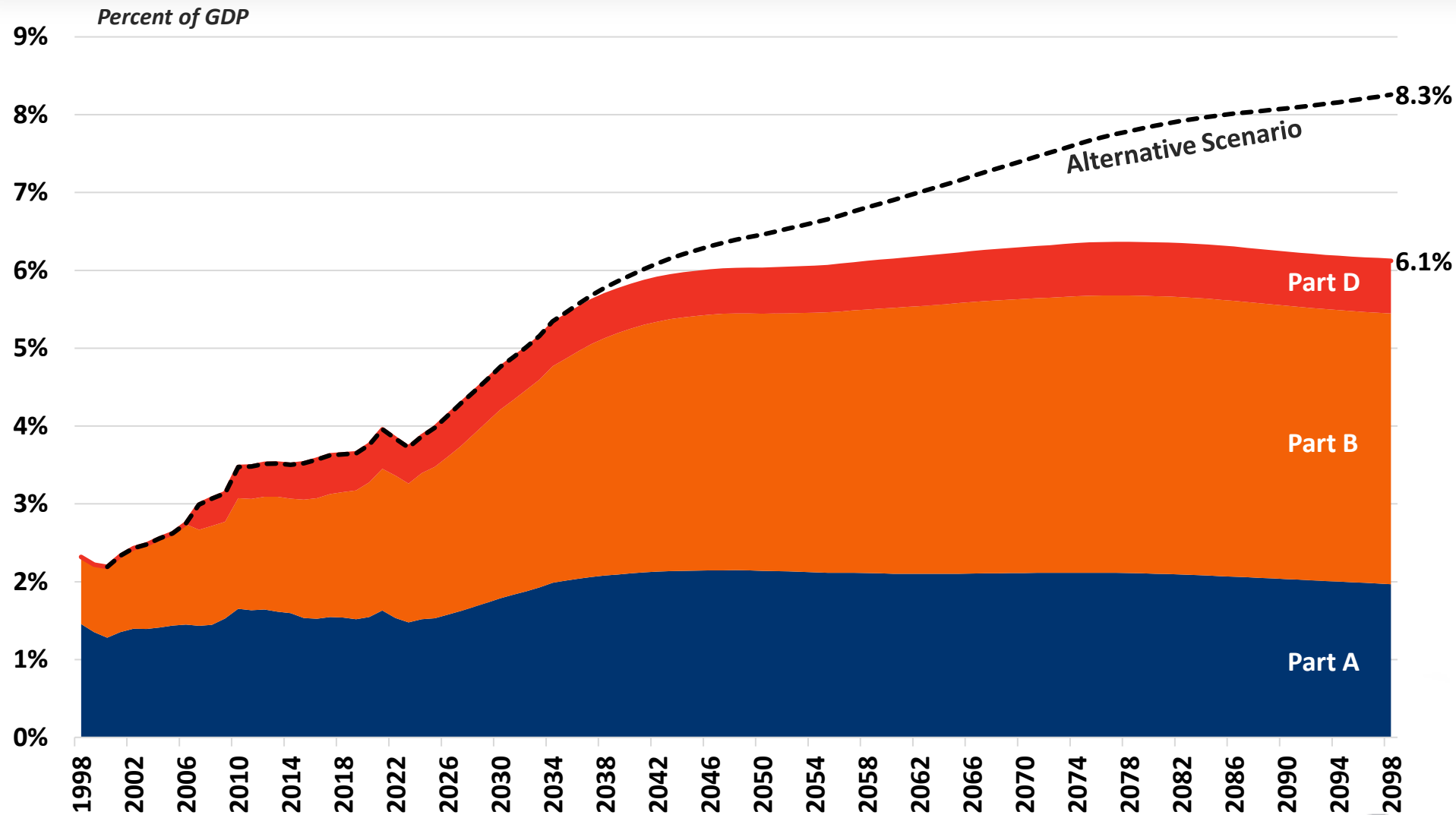


Trust Fund Exhaustion: 2031  
Benefit Cut: 11%

Source: Centers for Medicare and Medicaid Services.

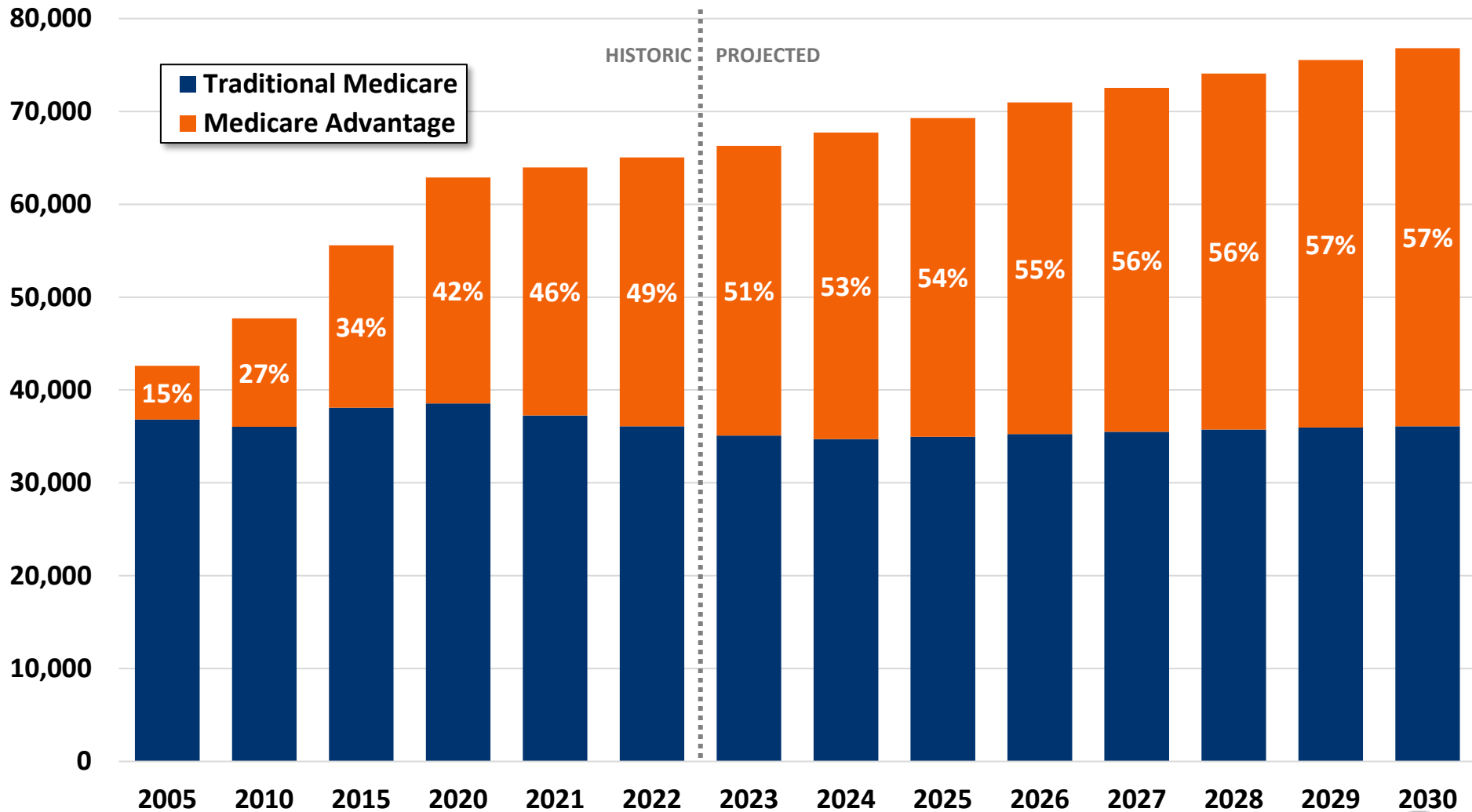


# All Medicare Costs are Rising



# Medicare Advantage Enrollment is Growing

Medicare enrollment (thousands)



Note: Percentages reflect MA plan enrollment as a share of total Medicare Part B enrollment.  
Sources: 2023 Medicare Trustees Report, Committee for a Responsible Federal Budget.



# Medicare's Finances Have Improved

	Effect on 75-Year Medicare Shortfall
<b>75-Year Actuarial Imbalance in 2022 Report</b>	<b>-0.70%</b>
Lower 2022 Base Spending	+0.19%
Higher Revenue and Taxable Payroll	+0.11%
Private Health Plan Assumptions	+0.05%
Higher Payment Rate Updates	-0.25%
Other Economic and Demographic Changes	+0.03%
Changes in Provider Utilization	-0.04%
Change in 75-Year Window	-0.01%
<b>75-Year Actuarial Imbalance in 2023 Report</b>	<b>-0.62%</b>

*Note: Figures are shown as a percent of taxable payroll.*

*Source: Centers for Medicare and Medicaid Services.*

# Time Is Running Out for Trust Fund Solutions

## HIGHWAY INSOLVENCY COUNTDOWN

The Highway system will be forced to start cutting benefits by 2028. [What can we do?](#)

YEARS MONTHS DAYS HOURS MINUTES SECONDS  
05:02:28:00:55:01



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## MEDICARE INSOLVENCY COUNTDOWN

The Medicare system will be forced to start cutting benefits by 2031. [What can we do?](#)

YEARS MONTHS DAYS HOURS MINUTES SECONDS  
07:08:28:23:54:42



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## SOCIAL SECURITY COUNTDOWN

The Social Security system will be forced to start cutting benefits by 2034. [What can we do?](#)

YEARS MONTHS DAYS HOURS MINUTES SECONDS  
10:09:28:23:51:27



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For more visit [www.crfb.org/projects/trust-fund-solutions](http://www.crfb.org/projects/trust-fund-solutions)

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