67 Million Beneficiaries

1 in 5 Americans benefit from Social Security

52 million receive retiree benefits
5.8 million receive survivors’ benefits; includes 4 million children
8.7 million receive disability benefits

Benefits will total $1.4 trillion in 2023

Social Security Administration, 2023
Primary Income Source for Most Older Americans

• For 1/3 of current beneficiaries – 90% of income is from Social Security
• For 2/3 of current beneficiaries – 50% of income is from Social Security
• Average Monthly Benefits are Modest
  
  Retired worker $1,837
  Retired couple $2,753
  Disabled Worker $1,486

Department of Labor, 2022
9% of millennials have received Social Security because their working parent died, became disabled, or retired

A young person starting a career today has a 30% chance of being disabled before 67

Social Security likely to provide most younger Americans’ income in old age

*Lack of traditional pensions; only 1/3 have a retirement savings plan at work*

65% of people 18-29 want NO reduction in Social Security, but only 15% believe Social Security will have enough money to provide benefits at current levels

Pew Research Center (2020) and Center for Budget and Policy Priorities (2021)
Benefits Are Guaranteed

- Benefits are calculated on a person’s lifetime earnings, and are guaranteed no matter how long they live.
Does Not Add to National Debt

- Social Security cannot spend more than is in its Trust Funds or borrow money.

- Should funds become depleted in the future, benefits would be reduced.
Social Security is Solvent

- Can pay full benefits for the next decade
- If nothing changes, Social Security can pay 77% of scheduled benefits after 2033
Lift Or Eliminate Cap on Contributions

- Strengthen the Trust Fund
- Provide Revenue to Increase Benefits
- Ensure Social Security is There for Current and Future Beneficiaries
- Restores Fairness

People earning over $1 Million stop paying into Social Security in February
Other Changes Needed to Improve Social Security

• Repeal WEP-GPO Provisions so public sector retirees receive all earned Social Security Benefits

• Change the Cost-of-Living Adjustment formula to Better Reflect What Seniors Spend Money On (CPI-E)

• Provide Social Security Work Credits for Caregivers
Average American’s Life Expectancy is 76 years

BUT Americans with lower-incomes do not live as long as those with high incomes

Men in the top 10% in household income could expect to live to 88, while those in the bottom 10% could expect to live to just 76

Life Expectancy Varies Significantly by Race
White Americans – 76.4 years
Black Americans – 70.8 years
Raising the Retirement Age is a CUT

Example – Single Retired Worker Receiving the Average Yearly Benefit Amount Who Lives to Age 76

<table>
<thead>
<tr>
<th>Age of Retirement</th>
<th>Yearly benefits</th>
<th>Lifetime benefits received until death at age 76</th>
<th>Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>67</td>
<td>$20,124</td>
<td>$181,116</td>
<td>–</td>
</tr>
<tr>
<td>68</td>
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<tr>
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<tr>
<td>70</td>
<td>$20,124</td>
<td>$120,744</td>
<td>-$60,372</td>
</tr>
</tbody>
</table>
Vast Majority Oppose Raising the Retirement Age

Quinnipiac University national poll, all ages:

78% - Oppose raising the retirement age from 67 to 70

62% - Oppose even if it means benefits will last longer

70% - Worried they will not have enough money to retire comfortably
Privatization

Give All or Part of Trust Fund to Wall Street
• NO Guarantee of Better Returns; Risk of Losses
• Investment companies Would Make Billions in Commissions and Fees

Allow or Require Individuals to Create Private Accounts in Lieu of Guaranteed Benefits
• Drains Money From the Trust Fund for Current Beneficiaries
• Ends Guaranteed Earned Benefits
• Private Investment Companies Profit from Commissions and Fees
House Budget Committee Hearing

10/19: “Examining the Need for a Fiscal Commission”

- “Expert Commissions” start from premise that Social Security *Must be Changed*
- Drastically limit public input
- Provide Political “Cover” to politicians
- Current proposals call for deliberations behind closed doors
Questions?
Comments?

www.retiredamericans.org