Social Security Reform Should Improve Equity

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Social Security Reform Should Improve Equity Within Generations

Vertical equity:

- Increase progressivity of benefits and taxes
- Improve income security for low-income retirees and especially widow(er)s

Horizontal Equity:

- Reduce disparities between one-earner couples, two-earner couples, and single earners
- Fix offset for uncovered worker
Social Security Must Also Improve Equity Between Generations
Social Security is Promising More than It Has...

Percent of Payroll

20%

16%

12%

8%


Scheduled Benefits

Payable Benefits

Dedicated Revenues

Trust Fund Exhaustion: 2035
Benefit Cut: 20%

Source: 2019 Social Security Trustees’ report

CRFB.org
And Future Generations Could Pay the Price

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

Enter your year of birth: YYYY

https://www.crfb.org/blogs/how-old-will-you-be-when-social-securitys-funds-run-out
If You are 62 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.

Design your own fix here.

www.crfb.org
If You are 50 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 solvant.

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If You are 22 Today...

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 solvent.

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If You are 2 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.

*Design your own fix here.*

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COMMITTEE FOR A
Responsible Federal Budget

[www.crfb.org](http://www.crfb.org)
Delaying Action is Unfair to Future Generations

The longer we wait to save Social Security:

- The larger and sharper adjustments will be
- The more burden will fall on younger generations and the less on older generations
- The less time workers will have to plan and adjust
- The worse off people will be from not knowing what the future holds
- The fewer ‘smart’ options will remain
Delivering Action is Unfair to Future Generations


CRFB.org
There’s No One Way to Fix the Program’s Finances

Source: Social Security Trustees.
Come Up With Your Own Solution...

Social Security remains insolvent. The trust fund will run out in 2042 at which point all beneficiaries will face a sudden 13% benefit cut.

79% Percent of 75-year shortfall closed (83% of shortfall closed in 75th year)

http://www.SocialSecurityReformer.org/