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Key Facts from the 2010 Report of the Social Security Trustees

Often thought of as simply a retirement system, Social Security provides benefits to millions of disabled workers and their families, survivors of deceased workers, and retirees. Altogether one in every six Americans benefits directly from Social Security, and many more live in households with a Social Security beneficiary. The program has been the bedrock of economic security for working and retired Americans for 75 years.

Every year, the Social Security Trustees are required by law to project the program's finances 75 years into the future. Doing so requires making numerous assumptions about productivity, economic growth, wages, fertility, longevity, immigration rates, and other factors. Three different scenarios are created. Most reports and analysts use the projections from the Intermediate scenario.

The 2010 Trustees' Report has once again confirmed the health and the long-term vitality of the Social Security system. Let's take a look at the facts:

- Social Security provided benefits to 53 million Americans in 2009: 68% of them retirees and their dependents, 19% disabled workers and family members, and 11% survivors of deceased workers.
- Social Security's total income from payroll taxes, interest on the Trust Fund and taxes on benefits exceeded benefit and administrative expenses by \$122 billion in 2009, increasing the Trust Fund to \$2.5 trillion.
- The Trust Fund is projected to continue growing until 2025. From 2025 to 2037, Social Security will draw on the Fund to finance the retirement of the baby boomers, according to the plan adopted in the early 1980s.
- Projecting into the future using "Intermediate" scenario assumptions, in 2037 the assets of the Trust Fund will be depleted and payroll taxes alone will cover 78% of benefits. Under a slightly different set of assumptions in the "Low Cost" scenario, the Trust Fund will never be depleted and will begin growing again by the 2050s and continue growing through the rest of the century.
- By 2037, average wages after accounting for inflation are expected to increase from \$43,000 in 2010 to \$60,000. Typical retirement benefits are projected to increase from \$17,676 to \$24,700 annually. If the Trust Fund is exhausted in 2037, payroll taxes alone at the current level would cover benefits averaging \$19,300 -- about \$1,600 more than today's typical retiree receives (after inflation).

The complete report is available at: <http://www.socialsecurity.gov/OACT/TR/2010/index.html>