

Why We Should Be Securing Social Security Now

Social Security is vital to the financial well-being of many Americans, directly benefiting one-fifth of the population. However, [the Trustees who oversee it warn](#) that an aging society will strain the current system. They call for timely changes to make the program sustainable for future retirees. Implementing reforms sooner rather than later, as the Trustees suggest, will ease the changes by spreading them out and by giving those affected more time to prepare.

Demographic changes threaten Social Security's long-term sustainability and the problems are already beginning to surface.

- An aging population means more retirees receiving benefits and fewer workers paying into the system through payroll taxes, which will severely stress Social Security's finances.
- In 1950, the ratio of workers to Social Security retirees was 16:1. Today, that ratio is less than 3:1. By 2030, it will be almost 2:1.
- Social Security is now paying out more in benefits than it takes in through revenue and interest, and that trend is expected to continue indefinitely.

Reform is necessary for Social Security and the federal budget overall.

- The combined Social Security trust funds will run out of money by 2034 according to its Trustees, or as soon as 2031 according to the Congressional Budget Office. [See more on Social Security's finances.](#)
- All beneficiaries will see an immediate, across-the-board benefit cut of 21 percent when the trust funds are exhausted.
- The problem is real and will affect everyone. For example, a typical person born in 1990 will be 44 years old when the trust fund runs dry and will see a cut of over \$160,000 in scheduled lifetime benefits unless action is taken. [See how you would fare with this tool.](#)
- Social Security is currently the largest single federal program, comprising almost a quarter of the federal budget and growing. Putting it on a sustainable course will benefit federal finances as a whole.
- Many options remain available to fix Social Security if policymakers act soon. Several approaches can be tried at <http://SocialSecurityReformer.org>

There is a high cost to waiting to fix Social Security.

- Waiting to act literally makes the problem harder to fix. It also gives workers less time to prepare and adjust and ensures that changes are more abrupt.
- For example, 75-year solvency could be achieved by raising payroll taxes by just over one-fifth or reducing scheduled benefits by one-sixth if we started today.
- However, if policymakers wait until 2034; payroll taxes would have to be raised by nearly one-third and it would be impossible to achieve solvency solely from reducing benefits of new beneficiaries, even if benefits were eliminated entirely.
- The Social Security Trustees "recommend that lawmakers address the projected trust fund shortfalls in a timely way in order to phase in necessary changes gradually and give workers and beneficiaries time to adjust to them."