

Social Security

A key program that supports most older Americans, Social Security creates an intergenerational bond: Workers pay in now and receive it later, linking generations together.

Social Security provides the **majority of income** to most older Americans.

For about half of older adults, it provides **>50%** of their income.



For about 1 in 4 older adults, it provides **>90%** of income.



Social Security benefits lift more than **15 million** older Americans out of poverty.

Without Social Security, about **4 in 10** Americans aged 65+ would have incomes below the poverty line.

Universal participation keeps costs low

Administrative costs amount to only 0.6 percent of annual benefits. Means-testing would impose significant reporting and processing burdens on both recipients and administrators, undercutting advantages while yielding little savings.

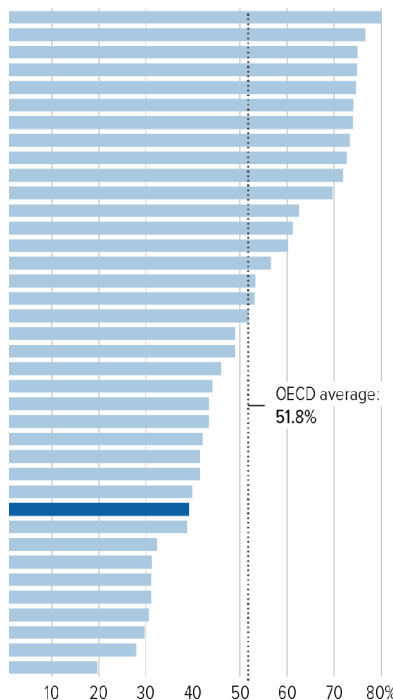
Social Security benefits are modest

The average Social Security retirement benefit is about

\$20,000/yr

The U.S. ranks near the bottom third of developed countries in the percentage of an average worker's earnings replaced by the public pension system (see chart by the Center on Budget and Policy Priorities).

Social Security is a key program worth protecting.



DID YOU KNOW?

Social Security is not the only way that the federal government provides old-age income support. The federal government also spends hundreds of billions (**\$329 billion in 2021**) on tax expenditures for private retirement accounts and pensions.

The Congressional Budget Office (CBO) estimated that the richest 20 percent of Americans received 58 percent of these old-age tax expenditure benefits while the poorest 20 percent of Americans received 1 percent of them. The Congressional Budget Office (CBO) explains this happens for a number of reasons.

Food for thought:

Cuts to federal old-age spending could start from the \$329 billion spent on these tax expenditure programs, which primarily operate as a tax shelter for the capital income of the richest Americans, rather than from Social Security - the program that lifts millions out of poverty.