

## Make Your Own!

Just print this page and cut on the dotted lines. Then, fold on the solid middle line to create your own Social Security pocket card.

### Center for American Progress **Social Security By the Numbers**



As the Bush administration gears up to privatize Social Security, here is our quick reference guide to help you keep track of the numbers.

#### Beneficiaries:

- Number of Social Security beneficiaries (in 2004): 48 million
- Number of early retirees receiving Social Security (in 2003): 21 million
- Number of disability benefit recipients (in 2004): 8 million
- Number of survivorship benefit recipients (in 2004): 7 million
- Number of children receiving Social Security benefits (in 2003): 4.0 million
- Number of college students receiving Social Security benefits (in 2003): 128,000

#### Benefits:

- Average monthly retirement benefit (in 2003): \$922.10
- Average monthly disability benefit (in 2003): \$861.70
- Share of income of 65 year olds coming from Social Security (in 2002): 60%
- Additional share of those over 65 in poverty without Social Security (in 2000): 40%

#### Trust Funds:

- Social Security tax rate: 6.2% for employer and employee each
- Income cap above which income is not subject to Social Security tax: \$90,000
- Total Social Security income (in 2004): \$658 billion
- Total Social Security benefit payments (in 2004): \$493 billion
- Social Security surplus (in 2004): \$156 billion
- Social Security trust funds balance (in 2004): \$1.7 trillion
- Interest rate earned on trust fund assets (in 2004): 5.7%
- Administrative costs as share of benefit payments (in 2004): 0.9%

#### Social Security's Future:

- Date at which Social Security uses interest earned on trust funds to pay benefits: 2017
- Date at which Social Security uses trust funds assets to pay benefits: 2027
- Date at which Social Security requires general funds (Soc.Sec. trustees): 2042
- Date at which Social Security requires general funds (CBO): 2053
- Share of benefits payable in 2042 without general revenue (Soc.Sec. trustees): 74%
- Share of benefits payable in 2053 without general revenue (CBO): 81%
- Social Security shortfall over next 75 years as share of GDP (Soc.Sec. trustees): 0.6%
- Social Security shortfall over next 75 years as share of GDP (CBO): 0.4%
- Size of President's tax cuts vs. Social Security 75-yr. shortfall (Soc.Sec. trustees): 3-to-1
- Size of President's tax cuts vs. to Social Security 75-yr. shortfall (CBO): 5-to-1

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#### Impact on Social Security:

- Contributions to private accounts (Bush plan)<sup>1</sup>: 4% of payroll up to \$1000
- Annual increase in contribution limit (Bush plan): wage growth plus \$100
- Contributions to private accounts when fully phased in (Bush plan): 4% of payroll
- Share of Social Security that could be privatized (Bush plan): 32.3%
- Transition costs in 2001 with cuts to disability benefits according to Bush's Commission to Strengthen Social Security's option II (CSSS-II): \$2.2 trillion
- Transition costs in 2001 without cuts to disability benefits (CSSS-II): \$2.8 trillion
- Share of payroll necessary to cover transition costs in 2001(CSSS-II): 1.2%

#### Social Security Benefit Cuts for All:

- Benefit cut to everyone age 35 in 2002 (CSSS-II): 17%
- Benefit cut to everyone age 25 in 2002 (CSSS-II): 25%
- Benefit cut to everyone retiring at 65 in 2075 (CSSS-II): 46%
- Benefit cut to worker becoming disabled in 2020 (CSSS-II): 11%
- Benefit cut to worker becoming disabled in 2075 (CSSS-II): 48%

#### Private Accounts:

- Interest above inflation charged to loan from Social Security to make private account contributions ("clawback") (CSSS-II): 2%
- Interest above inflation charged to loan from Social Security to make private account contributions ("clawback") (Bush plan): 3%
- Effective tax rate on private accounts with average rate of return from "clawback" (Bush plan): 100%
- Effective tax rate on private accounts with high rate of return from "clawback" (Bush plan): 69%
- Effective tax rate on private accounts with low rate of return from "clawback" (Bush plan): 139%
- Costs of market risk of retirement benefits in 2005 present value (CSSS-II): \$600-\$900 billion

#### Total Benefit Cuts from Privatization:

- Benefit cut relative to Social Security at age 65 in 2025 (CSSS-II): 16%
- Benefit cut relative to Social Security at age 65 in 2065 (CSSS-II): 27%

<sup>1</sup> A White House briefing on February 02, 2005 laid out a private accounts proposal, but not a full privatization plan.