



News Release

SOCIAL SECURITY

Social Security Board of Trustees Issues Annual Report Long-Range Financing Challenges Continue

The Social Security Board of Trustees today released its annual report on the financial health of the Social Security Trust Funds. The 2007 Trustees Report shows slight improvement in the projected financial status of the Social Security program from last year.

In the 2007 Annual Report to Congress, the Trustees announced:

- The projected point at which tax revenues will fall below program costs comes in 2017 -- the same as the estimate in last year's report.
- The projected point at which the Trust Funds will be exhausted comes in 2041 -- one year later than the projection in last year's report.
- The projected actuarial deficit over the 75-year long-range period is 1.95 percent of taxable payroll -- .06 percentage point smaller than in last year's report.
- Over the 75-year period, the Trust Funds would require additional revenue equivalent to \$4.7 trillion in today's dollars to pay all scheduled benefits. This unfunded obligation is about \$100 billion higher than the amount estimated last year.

"Social Security provides valuable economic protection to workers and their families. We owe it to the American public to continue to offer the best possible support for older Americans, people with disabilities and their families in the coming decades," said Michael J. Astrue, Commissioner of Social Security. "The Trustees Report is an important tool for those in the legislative and executive branches who will have to make the very difficult decisions about how best to ensure Social Security remains viable for the long term."

Other highlights of the Trustees Report include:

- Income including interest to the combined Old-Age and Survivors, and Disability Insurance (OASDI) Trust Funds amounted to \$745 billion (\$626 billion in net contributions, \$17 billion from taxation of benefits and \$102 billion in interest) in 2006.
- Total expenditures from the combined OASDI Trust Funds amounted to \$555 billion in 2006.

- The assets of the combined OASDI Trust Funds increased by about \$190 billion in 2006 to a total of \$2 trillion.
- During 2006, an estimated 162 million people had earnings covered by Social Security and paid payroll taxes.
- Social Security paid benefits of \$546 billion in calendar year 2006. There were 49 million beneficiaries at the end of the calendar year.
- The cost of \$5.3 billion to administer the program in 2006 was a very low 1.0 percent of total expenditures.
- The combined Trust Fund assets earned interest at an effective annual rate of 5.3 percent.

The Board of Trustees is comprised of six members. Four serve by virtue of their positions with the federal government: Henry M. Paulson, Jr., Secretary of the Treasury and Managing Trustee; Michael J. Astrue, Commissioner of Social Security; Michael O. Leavitt, Secretary of Health and Human Services; and Elaine L. Chao, Secretary of Labor. The two public trustees are John L. Palmer and Thomas R. Saving.

The 2007 Trustees Report will be posted at www.socialsecurity.gov/OACT/TR/TR07/ by Monday afternoon.

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