



# News Release

## SOCIAL SECURITY

### **Social Security Board of Trustees: Long-Range Financing Outlook Remains Unchanged**

The Social Security Board of Trustees today released its annual report on the financial health of the Social Security Trust Funds and the long-range outlook remains unchanged. The combined assets of the Old-Age and Survivors Insurance, and Disability Insurance (OASDI) Trust Funds will be exhausted in 2037, the same as projected last year. The Trustees also project that program costs will exceed tax revenues in 2010 and 2011, be less than tax revenues in 2012 through 2014, and then permanently exceed tax revenues beginning 2015, one year earlier than estimated in last year's report. The worsening of the short-range outlook for the Social Security Trust Funds is due in large part to the recent economic downturn.

In the 2010 Annual Report to Congress, the Trustees announced:

- The projected point at which the combined Trust Funds will be exhausted comes in 2037 – the same as the estimate in last year's report. At that time, there will be sufficient tax revenue coming in to pay about 78 percent of benefits.
- The projected point at which tax revenues will fall below program costs comes in 2010. Tax revenues will again exceed program costs in 2012 through 2014 before permanently falling below program costs in 2015 -- one year sooner than the estimate in last year's report.
- The projected actuarial deficit over the 75-year long-range period is 1.92 percent of taxable payroll -- 0.08 percentage point smaller than in last year's report.
- Over the 75-year period, the Trust Funds would require additional revenue equivalent to \$5.4 trillion in present value dollars to pay all scheduled benefits.

“The impact of the current economic downturn continues to be felt by the Social Security Trust Funds,” said Michael J. Astrue, Commissioner of Social Security. “The fact that the costs for the program will likely exceed tax revenue this year is not a cause for panic but it does send a strong message that it's time for us to make the tough choices that we know we need to make. I

applaud President Obama for his creation of the Deficit Commission so we can start the national discussion needed to ensure that Social Security remains a foundation of economic security for our children and grandchildren.”

Other highlights of the Trustees Report include:

- Income including interest to the combined OASDI Trust Funds amounted to \$807 billion (\$667 billion in net contributions, \$22 billion from taxation of benefits and \$118 billion in interest) in 2009.
- Total expenditures from the combined OASDI Trust Funds amounted to \$686 billion in 2009.
- The assets of the combined OASDI Trust Funds increased by about \$122 billion in 2009 to a total of \$2.5 trillion.
- During 2009, an estimated 156 million people had earnings covered by Social Security and paid payroll taxes.
- Social Security paid benefits of \$675 billion in calendar year 2009. There were about 53 million beneficiaries at the end of the calendar year.
- The cost of \$6.2 billion to administer the program in 2009 was a very low 0.9 percent of total expenditures.
- The combined Trust Fund assets earned interest at an effective annual rate of 4.9 percent in 2009.

The Board of Trustees is comprised of six members. Four serve by virtue of their positions with the federal government: Timothy F. Geithner, Secretary of the Treasury and Managing Trustee; Michael J. Astrue, Commissioner of Social Security; Kathleen Sebelius, Secretary of Health and Human Services; and Hilda L. Solis, Secretary of Labor. The two public trustee positions are currently vacant. President Obama nominated two individuals to serve as public trustees, and the Senate Finance Committee held hearings on July 29 for both trustee nominees. Their confirmations are pending.

The 2010 Trustees Report will be posted at [www.socialsecurity.gov/OACT/TR/2010/](http://www.socialsecurity.gov/OACT/TR/2010/) by Thursday afternoon.

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