



News Release

SOCIAL SECURITY

Social Security Board of Trustees: Some Improvement in Long-Range Financing Outlook but Deficits Continue

The Social Security Board of Trustees today released its annual report on the financial health of the Social Security Trust Funds. While the key dates for program costs exceeding tax revenues and Trust Fund exhaustion remain unchanged, the 2008 Trustees Report shows improvement in the projected long-term financial status of the Social Security program from last year -- particularly in the latter half of the long-range projection period. This improvement is principally the result of methodological changes for projecting certain aspects of immigration.

In the 2008 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 -- the same as the estimate in last year's report.
- The projected actuarial deficit over the 75-year long-range period is 1.70 percent of taxable payroll -- down from 1.95 percent in last year's report.
- Over the 75-year period, the Trust Funds would require additional revenue equivalent to \$4.3 trillion in today's dollars to pay all scheduled benefits.

"Social Security is at a crossroads. We face enormous challenges to shore up the system," said Michael J. Astrue, Commissioner of Social Security. "I will continue to work with President Bush, Congress and our stakeholders to develop policy solutions. I also look forward to working with the next administration, since the challenges that face the Social Security system will undoubtedly require a bipartisan and multi-year effort."

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 \$785 billion (\$656 billion in net contributions, \$19 billion from taxation of benefits and \$110 billion in interest) in 2007.
- Total expenditures from the combined OASDI Trust Funds amounted to \$595 billion in 2007.

- The assets of the combined OASDI Trust Funds increased by about \$190 billion in 2007 to a total of \$2.2 trillion.
- During 2007, an estimated 163 million people had earnings covered by Social Security and paid payroll taxes.
- Social Security paid benefits of \$585 billion in calendar year 2007. There were almost 50 million beneficiaries at the end of the calendar year.
- The cost of \$5.5 billion to administer the program in 2007 was a very low 0.9 percent of total expenditures.
- The combined Trust Fund assets earned interest at an effective annual rate of 5.3 percent in 2007.

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 trustee positions are currently vacant.

The 2008 Trustees Report will be posted at www.socialsecurity.gov/OACT/TR/TR08/ by Tuesday afternoon.

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