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Association Actuarielle Internationale



Trends in U.S. Social Security Actuarial Status

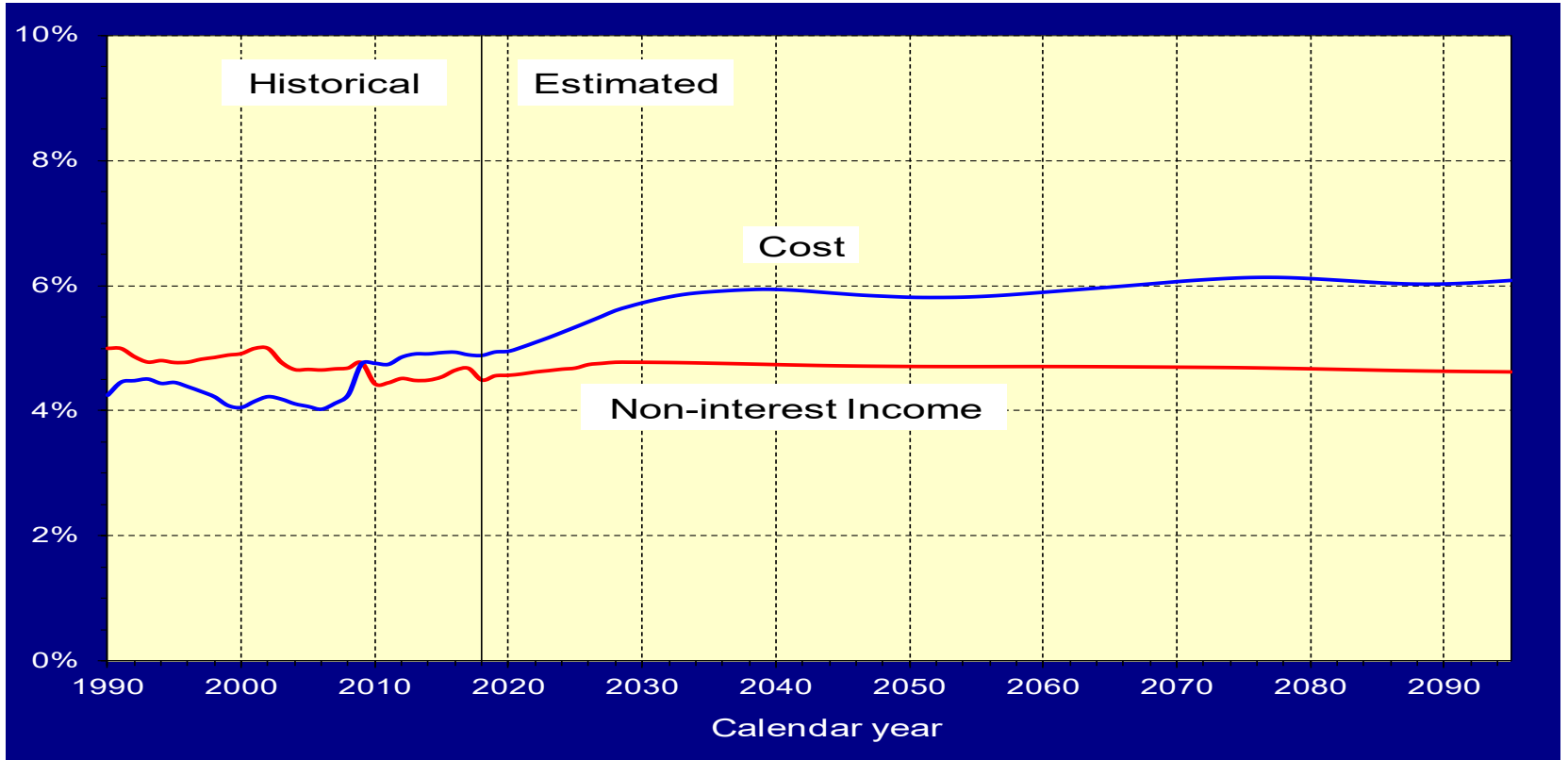
Steve Goss, Chief Actuary
U.S. Social Security Administration

14 May 2019



U.S. Social Security: Scheduled Cost and Revenue as % of GDP

Cost rising from 4.3% to 6% of GDP by 2035—then stable!





U.S. Social Security: Funding Limitations

Pay-as-you-go financing: no borrowing authority

- So *must* maintain a positive Trust Fund reserve

Should trust fund reserves become depleted:

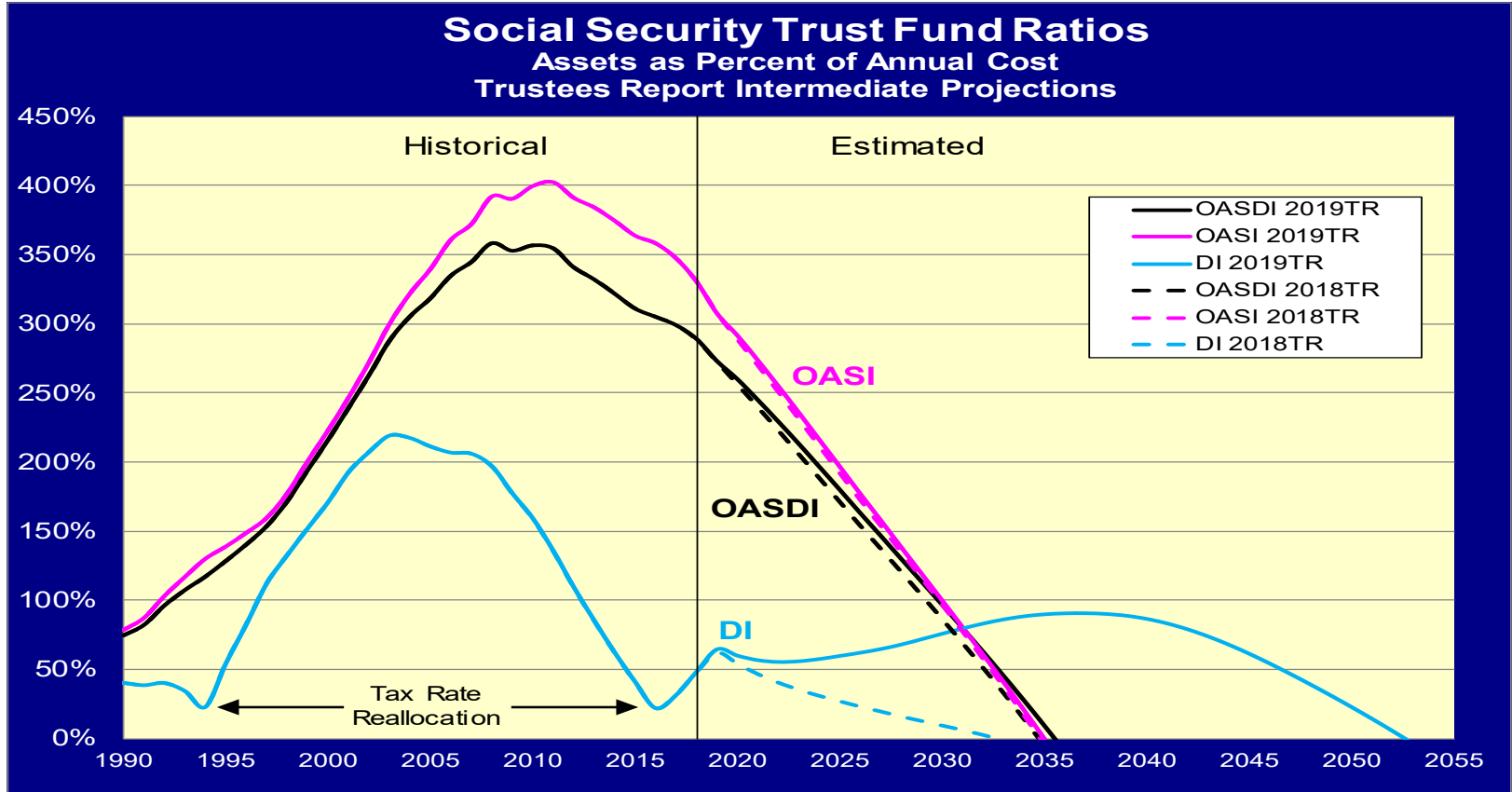
- Would need to reduce or delay scheduled benefits
- This has never happened since benefits started in 1940

Congress has always acted to avoid reserve depletion

- Near certainty this will continue

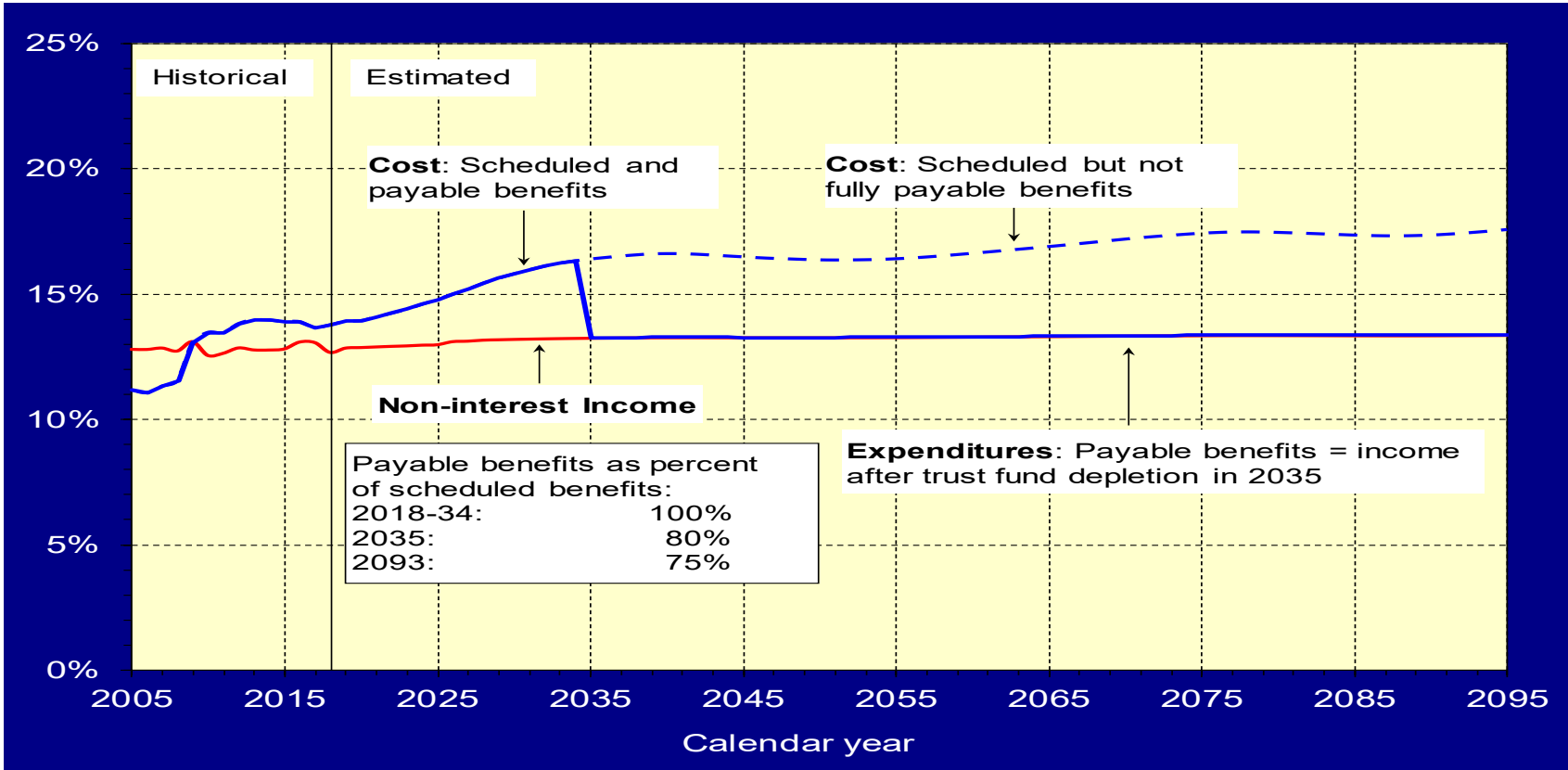


U.S. Social Security: What If Congress Did *Not* Act?





U.S. Social Security: 20% to 25% Shortfall in 2035 and Later





U.S. Social Security: Why the Rising Cost?

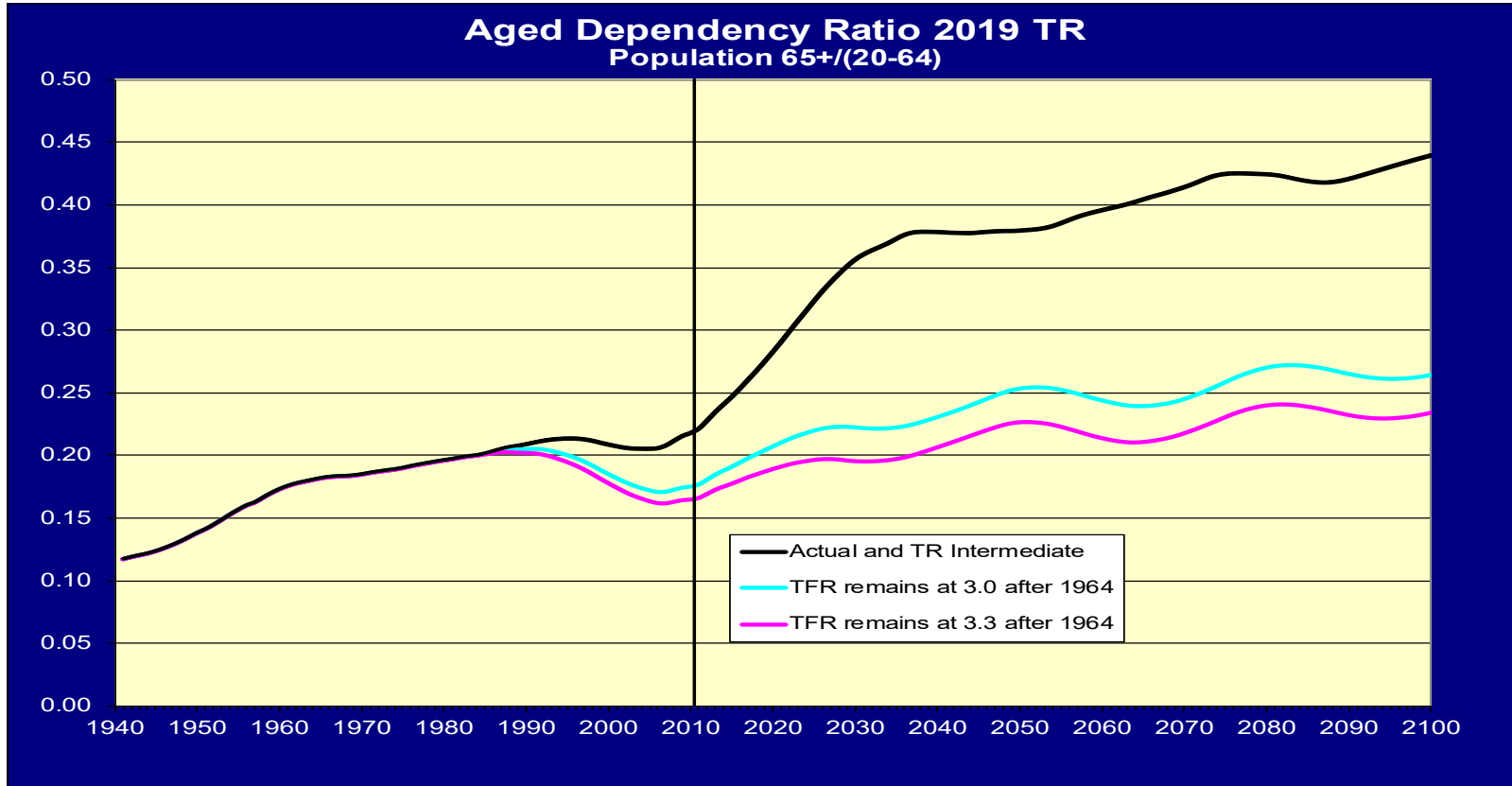
Aging: a familiar story

Is this all about longevity?

- No, mainly about birth rates – another familiar story!
- Immigration helps in the U.S.
- But the age distribution is the story: “macro aging”

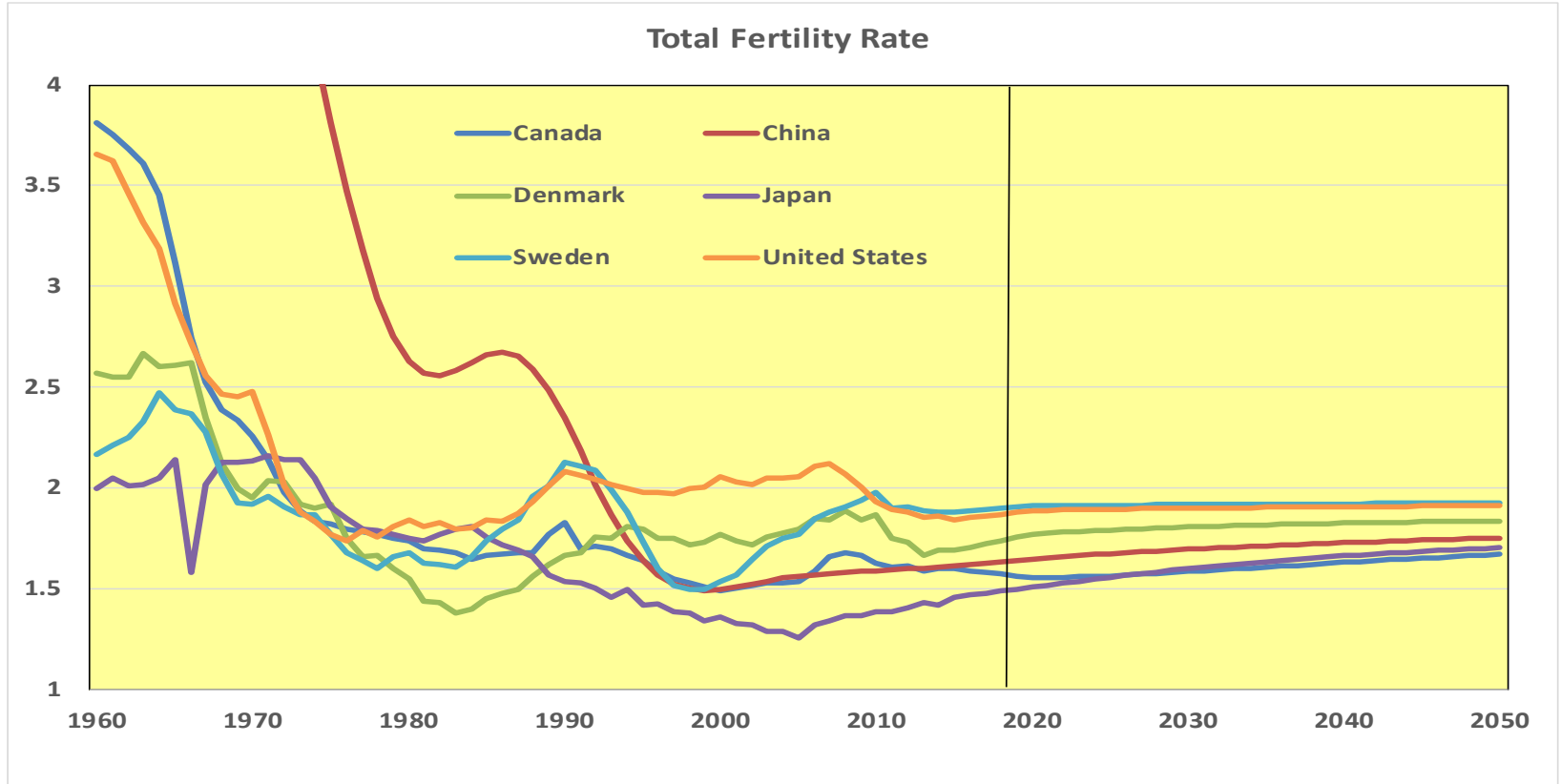


U.S. Macro Aging: Level Shift Due to Drop in Birth Rates



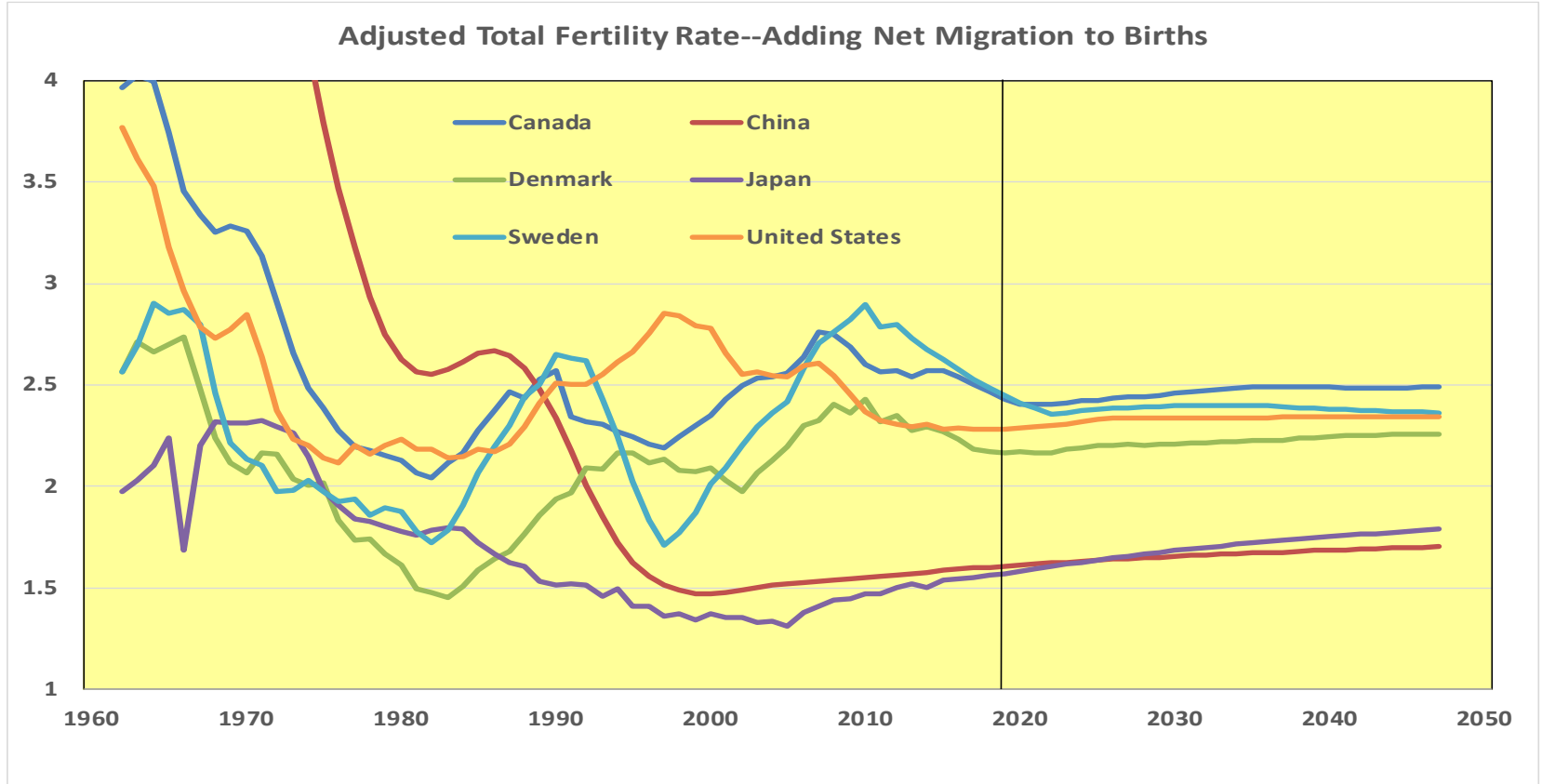


U.S. Is Not Alone: TFR Below 2.1 Almost Everywhere





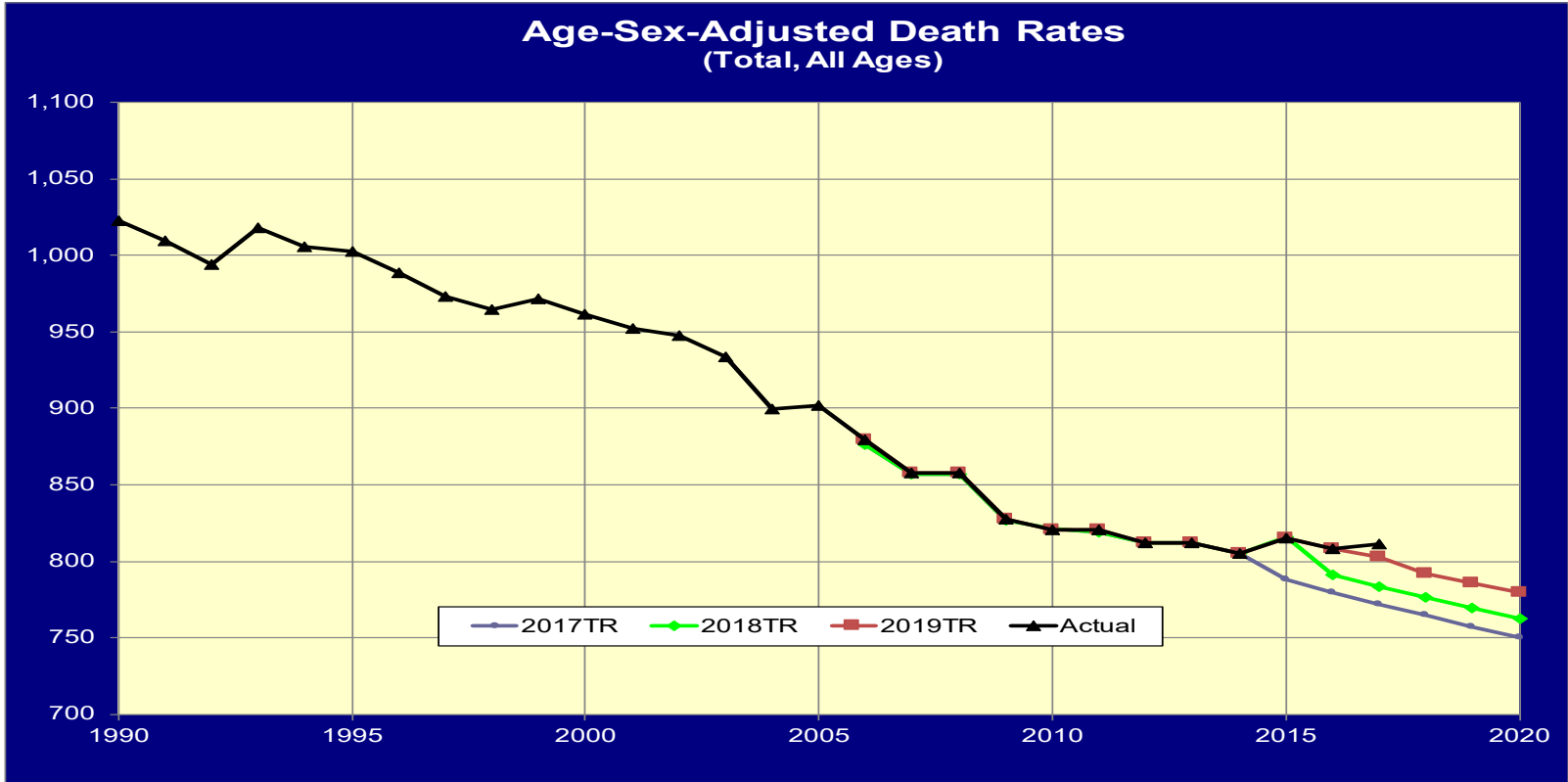
Adjusting for Expected Immigration Helps Many





U.S. Mortality Decline (Micro Aging) Almost Ceased Since 2009

Are our projections now too optimistic? More later this week!





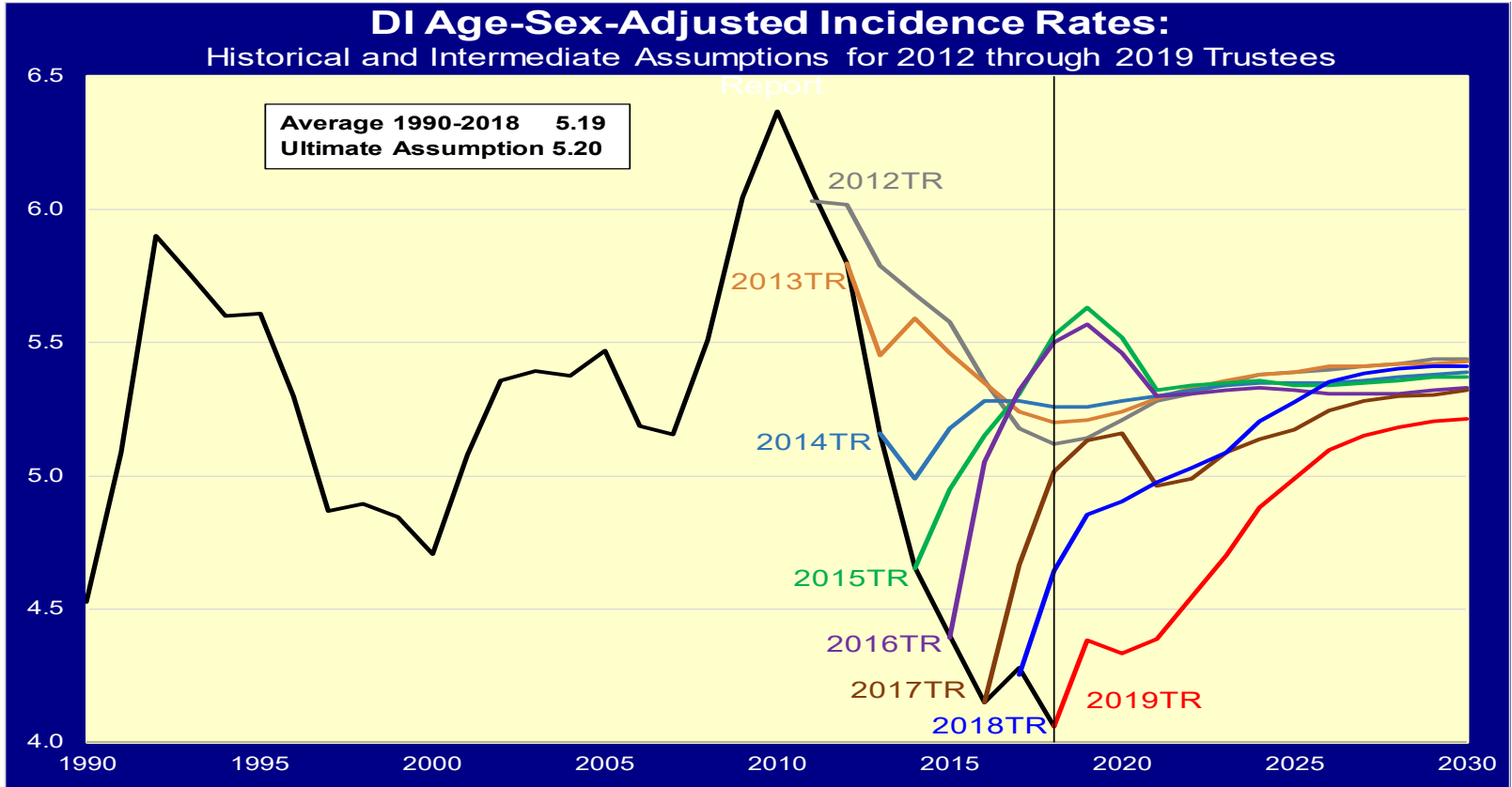
How to Eliminate the U.S. Social Security Long-Term Actuarial Deficit

Make choices addressing OASDI deficits 2035-2093:

- Raise scheduled revenue after 2034 by about one-third
(from 4.5% to 6% of GDP)
- Reduce scheduled benefits after 2034 by about one-fourth
(from 6% to 4.5% of GDP)
- Or some combination of the two

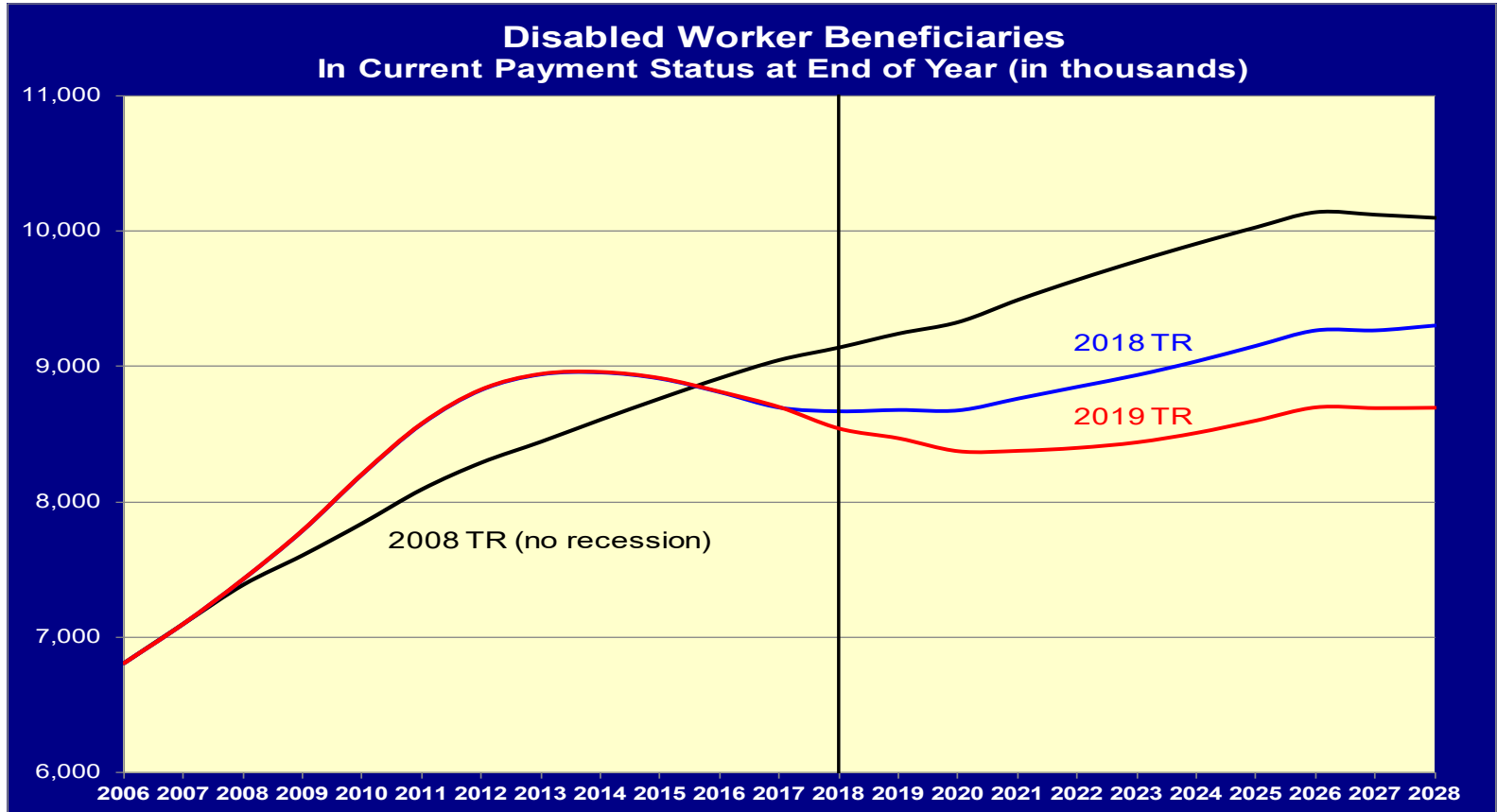


One More Thing: Disability Incidence Declining Dramatically





Number Disabled Is *Far* Below Expected. Internationally?





For More Information Go To
<http://www.ssa.gov/oact/>

There you will find:

- This and all prior Social Security Trustees Reports
- Detailed single-year tables for recent reports
- Our estimates for comprehensive proposals
- Our estimates for the individual provisions
- Actuarial notes; including replacement rates
- Actuarial studies; including stochastic
- Extensive databases
- Congressional testimonies
- Presentations by OCACT employees