



November 9, 2010

The Honorable Michael Bennet  
702 Hart Senate Office Building  
Washington, DC 20510

Dear Senator Bennet:

I heard you say during your interview on National Public Radio this morning that if nothing is done, there will be no Social Security for people your age. This is badly mistaken. You should know, both for planning your own personal finances, and more importantly for your actions as Senator, that under any plausible set of circumstances you can anticipate a substantial Social Security benefit.

On the program you said that you are currently age 45. This means that if you work until the normal retirement age for your age cohort of 67, you will be retiring in 2032. While I don't know your precise earnings history, your pay as a senator would make you eligible for the maximum benefit if it were sustained for 35 years. The Social Security Trustees Report shows that a maximum wage earner retiring in 2032 would receive an annual benefit of \$40,800 in 2010 dollars. (This can be found in Table V1.F10 available at [http://www.ssa.gov/OACT/TR/2010/VI\\_OASDHI\\_dollars.html#119381](http://www.ssa.gov/OACT/TR/2010/VI_OASDHI_dollars.html#119381).)

The trustees' projections show that if nothing were ever done, then the program would pay full benefits through the year 2037, when you will be age 72. (The Congressional Budget Office projects that it can pay full benefits until the year 2039 when you will be age 74.) At this point, even if Congress does nothing there still would be substantial money flowing into the program, allowing the program to pay just under 80 percent of benefits.

As can be seen in Table V1.F2 of the Trustees Report (available at [http://www.ssa.gov/OACT/TR/2010/VI\\_OASDHI\\_payroll.html#151594](http://www.ssa.gov/OACT/TR/2010/VI_OASDHI_payroll.html#151594)) Social Security's revenue in 2040 will be equal to 13.23 percent of covered payroll, while its outlays are projected at 16.64 percent. This would be sufficient in your case to provide an annual benefit of more than \$32,400, again in 2010 dollars.

Social Security's finances are actually projected to improve slightly over the next decade so that the program would be able to pay 81.0 percent of scheduled benefits in 2050. In your case this would be a benefit of slightly over \$33,000. The situation is projected to change little in subsequent years. In 2060, when you will be age 95, the program should be able to provide a benefit of just under \$32,800. Again, these sums are all adjusted for inflation.



Of course it would be extremely unfortunate if Congress ever allowed Social Security to pay less than the full scheduled benefit. As a political matter it also seems unlikely in a context where beneficiaries are almost 50 percent larger as a share of the adult population than they are today. It is also worth noting that the necessary increases in funding are relatively small compared to items like the rise in defense spending over the last decade, so there certainly are not major economic obstacles to maintaining full funding.

I hope that you will take the time to review the program's finances more carefully so that when you speak on it in the future you are better informed. I would be happy to assist you in providing additional background if it would be helpful.

Regards,

Dean Baker  
Co-Director, Center for Economic and Policy Research

Cc:

Rene Montagne, NPR  
Alicia Shepard, NPR