



February 17, 2011

The Honorable Mark Warner  
459A Russell Senate Office Building  
Washington, DC 20510

Dear Senator Warner:

During an interview on NPR's *Morning Edition* today you stated that the retirement age for Social Security was set at 65 by President Roosevelt when the average life expectancy was 64 and that now we are living much longer. The implication of this comment was that the retirement age must be raised to better reflect life expectancy.

As can be seen from the [Social Security Trustees' Report](#), the normal retirement age for Social Security has already been raised to 66 and is already scheduled to rise to 67. Raising the retirement age further would amount to a cut in benefits with each successive increase in the retirement age. If the normal age of retirement is phased in to reach 70 by 2036, it would result in a 4.0 percent reduction in benefits for workers between the ages of 50-54 in 2007 and a 10 percent reduction for workers between the ages of 40-44 in 2007.

Another point worth considering is that if the normal retirement age rose further, many workers would find it increasingly difficult to work until they are eligible for Social Security benefits. Forty five percent of workers over the age of 58 work in jobs that are physically demanding or have difficult work conditions. It is hard to imagine construction workers, firefighters, or nurses working well into their late 60's. Many would end up taking early retirement with a considerable reduction in benefits compared to currently scheduled levels.

The Trustees' Report projects that Social Security will remain fully solvent through 2037 and will be able to pay almost 80 percent of benefits for many decades past this date. It is also worth noting that the necessary increases in funding to maintain full solvency 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 have 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

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