



Chair, Board of Directors
National Academy of Social Insurance

June , 2015



It's more than just retirement

- >Spouse benefit
- >Survivor protection
- >Disability insurance

As a retirement benefit, it's

- >Portable
- >Guaranteed
- >Inflation-proof



Social Security Administration

- >Social Security Statement
- >Web Site

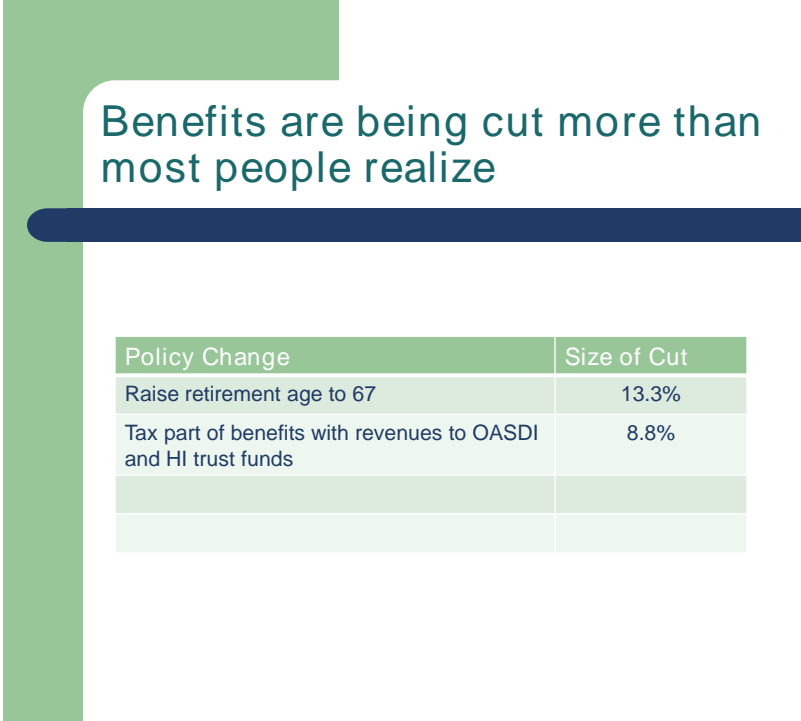
50 million beneficiaries

Beneficiary categories

- >Retirement and Dependents: 69%
- >Survivors: 14%
- >Disability and Dependents: 17%

One in three is not a retiree





Raise retirement age to 67	13.3%
Tax part of benefits with revenues to OASDI and HI trust funds	8.8%

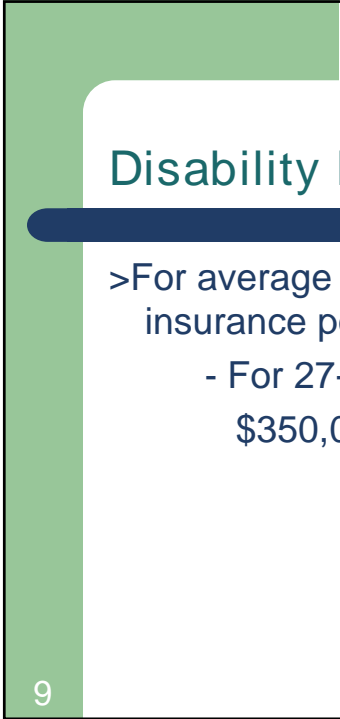



Over 6.5 million survivors (widows, widowers, children) receive benefits

Social Security is the main source of life insurance for most families with children

For 27-year old worker with two children, Social Security provides equivalent of



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- >For average worker: equivalent of a \$230,000+ insurance policy
 - For 27-year old with 2 children: \$350,000+

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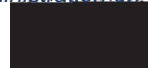



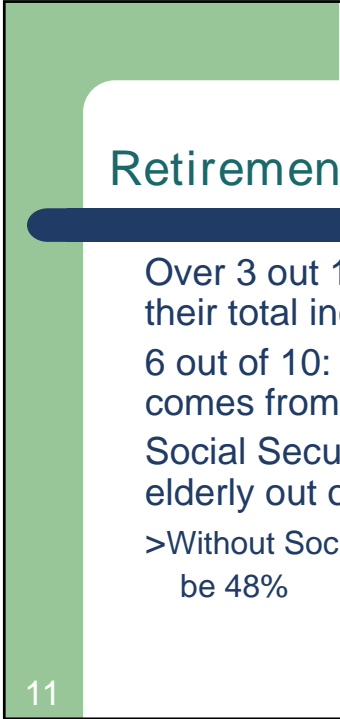
Today's retirees and income sources

- >Social Security: 40% (90% receiving)
- >Assets: 21% (56%)
- >Pensions: 19% (30% private, 14% public)
- >Earnings: 17% (23%)
- >Other (including public assistance): 3%

Source: "A Profile of Older Americans," AARP and U.S. Administration on Aging (2005)


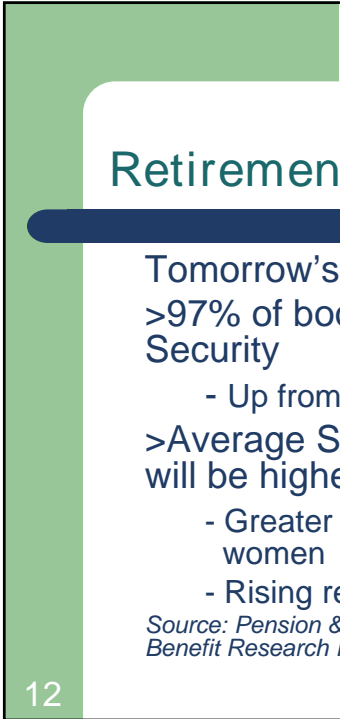
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Over 3 out 10 beneficiaries receive 90% of their total income from Social Security
6 out of 10: More than half of their total income comes from Social Security
Social Security keeps more than 13 million elderly out of poverty
>Without Social Security, elderly poverty rate would be 48%

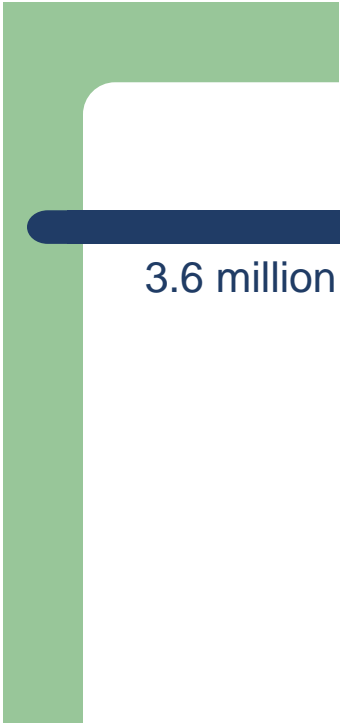
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Tomorrow's retirees
>97% of boomer families will receive Social Security
- Up from 90% of today's retirees
>Average Social Security income for boomers will be higher
- Greater rates of labor force participation by women
- Rising real wage growth


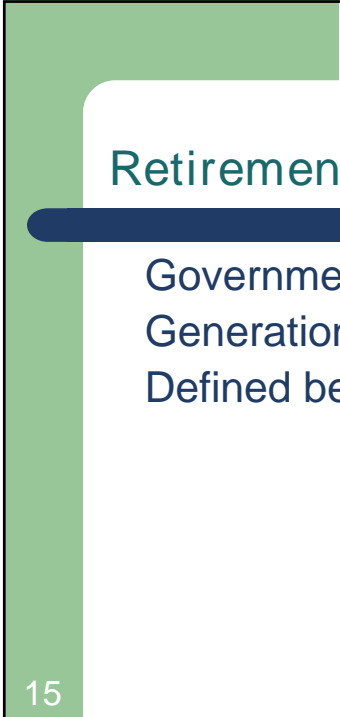
Source: *Pension & Retirement Income Simulation Model, Employee Benefit Research Institute (1988)*





3.6 million (9.8%) still below poverty level





Government obligation
Generational compact
Defined benefit

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Life expectancy risk

>At birth

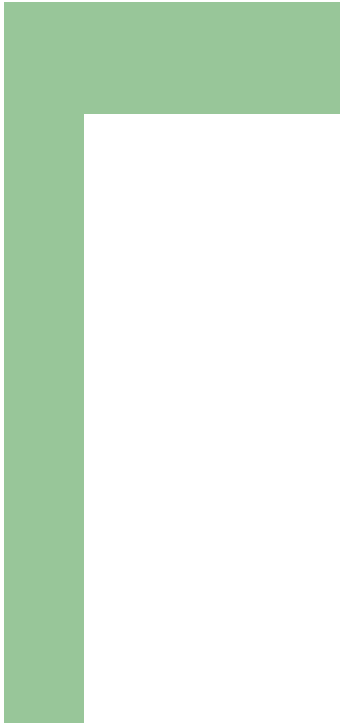
- Men: 74.0 years - Women: 79.4 years

>At age 65

- Men: 16.8 years - Women: 19.8 years

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Social Security Benefit Statement

>Not-as-good News

- Earnings errors
- How zero years count
 - 78% of baby boom women will have fewer than 35 years of earnings
- Today's dollars
- Missing lump sum values for survivor and disability protection

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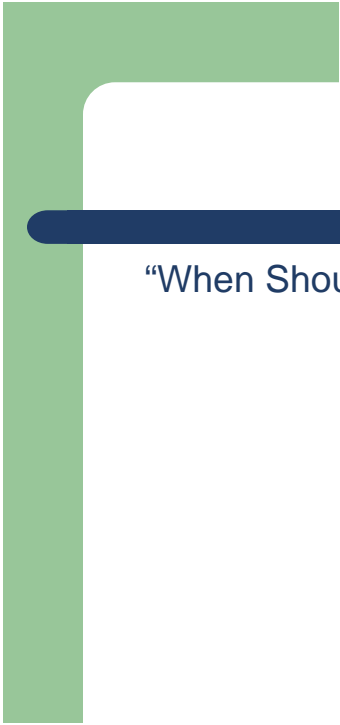
Web site (www.ssa.gov)

>Superb Retirement Planner

- Quick Calculator for rough benefit estimates
- Online Calculator for projecting future earnings
- Detailed Calculator for comprehensive what-if planning

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“When Should I Begin Collecting My Benefit?”

