



CBO PROJECTS SOCIAL SECURITY INSOLVENCY IN 2032 AND 28% BENEFIT CUTS

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TOPLINE: [CBO projects](#) Social Security's [trust fund](#) will be insolvent one year earlier—in 2032. Because Social Security cannot pay out more in benefits than it collects in taxes, that will trigger 28 percent benefit cuts unless Congress acts. Everyone from Gen X through Gen Alpha is on track to not receive a single full Social Security benefit.

Insolvency Exacerbated

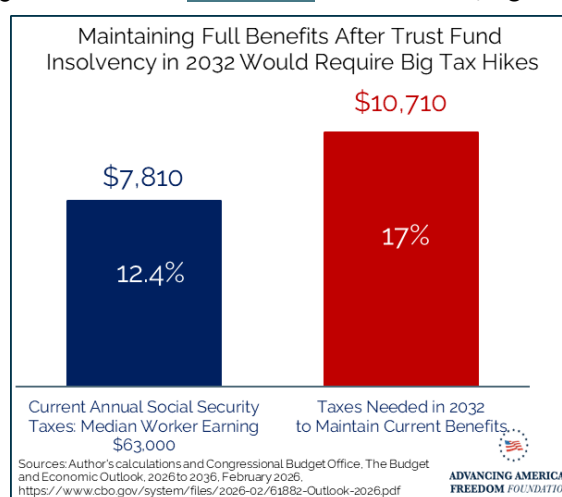
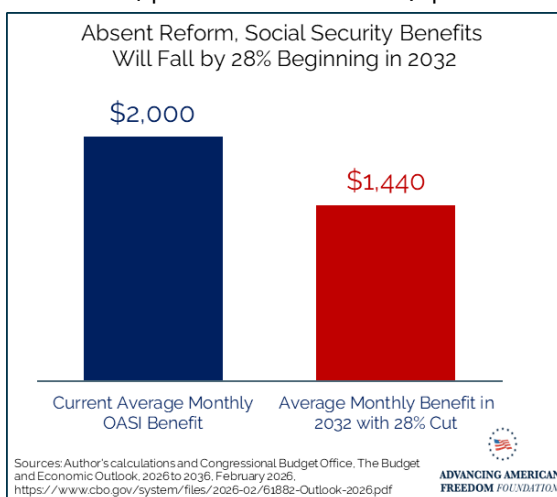
- The OASI trust fund's insolvency moved up one year to 2032; projected benefit cuts increased to 28 percent (from 24 percent).
- Reasons include: larger cost-of-living benefit increases, lower payroll tax revenues, and [2024 legislation](#) that gave windfall benefits to public sector workers.

What A 28% Cut Means

- For the [average beneficiary](#) with a monthly check of about \$2,000, a 28 percent reduction would mean roughly \$560 less per month—\$6,700 less per year.
- Absent reform, [those cuts](#) will apply to all of the roughly 70 million Americans receiving retirement and survivors benefits—regardless of age or income.

Preventing Benefit Cuts Would Require Large Tax Hikes

- Maintaining 100 percent of current benefits would require hiking Social Security's tax from 12.4 percent to about 17 percent—\$2,900 more for [a worker](#) who earns \$63,000.



Limiting Social Security's Growth Will Boost the Economy

- CBO finds that limiting benefits to revenues would increase work and savings, limit federal borrowing costs, and increase GDP.

BOTTOMLINE: Social Security's [\\$25.1 trillion shortfall](#) won't fix itself. Lawmakers can either allow automatic 28 percent benefit cuts in 2032 or enact gradual, targeted reforms now to protect lower- and middle-income retirees, strengthen the economy, and demonstrate fiscal fortitude before markets force abrupt action.

