

Social Security by the Numbers

Facts about the federal Old-Age, Survivors, and Disability Insurance (OASDI) program.

Provided by The William Newby Agency

Social Security has been a pillar of retirement life for several decades, but how much do you really know about it? Here are some facts that might surprise you:

The Social Security trust fund exceeds the gross domestic product of every major economy in the world, except the nine largest: China, the European Union, the United States, India, Japan, Germany, Russia, Indonesia, and Brazil.¹

For 61% of retirees, Social Security is a major source of income.¹

Benefits are subject to federal income taxes, but it wasn't always so. Amendments to the Social Security Act made benefits potentially taxable beginning in 1984.¹

Benefits are determined by your average earnings during a lifetime of work, based on your 35 highest-earning years.¹

If you receive Social Security, you no doubt welcome cost-of-living-adjustments (COLAs) to your benefits. Did you know that Social Security COLAs once required an act of Congress? That was the case before 1975, when they were finally pegged to advances in the Consumer Price Index.¹

In the middle of 2018, more than 1 in 6 Americans were collecting Social Security benefits. Older Americans constitute about 80% of Social Security recipients, and their average monthly benefit in June 2018 was \$1,413.²

When should you begin taking Social Security? That may depend on several factors, but many people choose to claim benefits as soon as they are eligible. You can receive benefits beginning at age 62, but you may choose to delay taking them. You can wait until age 70 to claim them, and if you take them before reaching Social Security's Full Retirement Age (67 for those born in 1960 or later), your monthly benefit will be fractionally reduced. You may receive over one million dollars total in benefits across your retirement, so when and how you decide to take that income may be critical.^{1,3}

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Citations

- 1 - <https://www.waddell.com/explore-insights/market-news-and-guidance/planning/9-facts-about-social-security> [2/13/19]
- 2 - <https://www.cbpp.org/research/social-security/policy-basics-top-ten-facts-about-social-security> [8/14/18]
- 3 - <https://www.ssa.gov/planners/retire/agereduction.html> [12/13/18]