**Sociological Interventions to Overcome Insolvency in the**

**U.S. Social Security Trust Funds, SSTF, 2034, and 2097**

**SR 950-32: Clinical and Applied Sociology**

**(Fall 2023)**

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**Professor: Dr. Joshua Reichard**

**Assignment #1 – Core Essential Elements**

1. Select One (1) Core Essential Element from the Syllabus Outline:

a. Weekend Residency: Create a 350-word original discussion paper (with cited

sources) during the residency week. Be prepared to discuss and engage

with other students during the live sessions. Post this document in DIAL.

b. Professor will check for quality of content and word-count requirements. The grade

assigned will be Credit or No Credit (CR/NC).

**Point of Note:**

1. Table 1 on page 3 is made available as an illustration to give the Professor or prospective readers a broad understanding of the data and information about the current financial solvency of the Social Security Trust Fund, SSTF, 2022 and 2023 reporting years.
2. The Trust Fund Reserve, also called Social Security Trust Fund, SSTF Reserves are shown in lines 17 to 21 on Table 1, next page 3.

 Table 1

| **Comparison: Key Measures of Actuarial Status in the Social Security Trustees Reports** |
| --- |
|   | 2022 report | 2023 report |
| 75-year actuarial deficit |   |
| As a percentage of taxable payroll | 3.42% | 3.61% |
| As a percentage of GDP | 1.2% | 1.3% |
| Income and outgo in the year prior to the reporting year (in billions) |   |
| Income |   |
| Total | $1,088 | $1,222 |
| Social Security contributions a | $981 | $1,107 |
| Income taxes on benefits | $38 | $49 |
| Interest | $70 | $66 |
| Outgo |   |
| Total | $1,145 | $1,244 |
| Benefit payments b | $1,138 | $1,237 |
| Administration | $6 | $7 |
| The net change in assets | −$56 | −$22 |
| **Trust fund reserves** |  |
| **Amount at the beginning of the reporting year (in billions)** | **$2,852** | **$2,830** |
| **Amount at the beginning of report year (as a percentage of report year outgo)** | **230%** | **204%** |
| **Projected year of peak trust fund reserves c** | **2022** | **2023** |
| **Amount at end of peak year (in billions)** | **$2,805** | **$2,777** |
| Year of trust fund depletion |  |
| OASDI | 2035 | 2034 |
| OASI | 2034 | 2033 |
| DI | d | d |
| Share of OASDI outgo covered by scheduled revenue in— |  |
| Year of trust fund depletion | 80% | 80% |
| End of a 75-year reporting period | 74% | 74% |
| SOURCES: 2022 and 2023 Trustees Reports. |

**Notes: Table 1** is Culled from*: SSA.gov/ 2022 and 2023 Trustee Reports (2023) Summary: Actuarial Status of the Social Security Trust Funds. Front page. https://www.ssa.gov/policy/trust-funds-summary.html.*

* In Table 1, the Trust Funds Reserves at end of Peak Year for 2022 amount to $2,805 billion, i.e., $2.81 trillion. The Trust Funds Reserves at end of Peak Year for 2023 amount to $2,777 billion, i.e., $2.77 trillion.

**Sociological Interventions to Overcome Insolvency in the U.S. Social Security Trust Funds, SSTF, 2034, and 2097**

           Considering the series of recent actuarial reports and publications by the U.S. Treasury, the Center for Budget and Policy Priorities (CBPP), and the Social Security Trust Funds, the SSTF will be insolvent between 2034 and 2097, despite its solid financial reserve base of about $2.8 trillion and $2.77 trillion in 2022 and 2023, respectively. "So, taxes will be enough to pay for only 80% of scheduled benefits because birthrates dropped from three to two children per woman (Goss, 2010). There are "two separate Social Security trust funds: the Old-Age and Survivors Insurance (OASI) Trust Fund, which pays retirement and survivors benefits, and the Disability Insurance (DI) Trust Fund, which pays disability benefits" (SSA.Gov., 2023). The SSTF derives its tax revenues from U.S. employees from two primary sources: i) FICA 1, which is a federal payroll tax of 6.2%, and ii) FICA 2, which is a payroll tax of 1.45% for Medicare. The employers match items 1 and 2 as payroll tax contributions to SSTF (payable to retirees and disabled youths and adults, SSIs, etc.). "There have been no major Social Security reforms since 1983. Baby Boomers worry they will outlive their pensions and Medicare benefits. Millennials are apprehensive about college debt and buying homes (Achenbaum, 2023). The Republicans are alarmed and prefer a complete overhaul and deep cuts to SSTFs. In contrast, the Democrats allay the insolvency fear and support the 8.7 percent cost-of-living adjustment (COLA) to seniors' and retirees' benefits. Some advocate for an additional $2,400 increase in benefits for seniors or retirees (Fragassi, 2023). Ordower, H. (2023) suggests "the unbundling of Social Security from the Payroll Tax." This will not be a feasible idea because the payroll tax is the primary source of tax-income to SSTF .

           However, this study shows that SSTF can be solvent beyond 2034/2097: i) Through financial overhaul, and re-structuring, and FICA 1 & 2 increase of .025% - .05%, involving actuarial; qualitative and quantitative methodologies (Guetterman et al., 2020; Ozawa & Pongpirul, 2014; Mukumbang, 2023). ii) Increased skill-based immigration and adoptions to boost population; iii) A Bi-partisan legislation to increase the full retirement age, FRA, from 66 to 70 years; iv) A mindset shift, community sensitization, and not SSTF politicization (Arli et al., 2023); v) To invest in adult/seniors' vocational training/apprenticeship employment programs (Benton & Craib, 2023; Al-Omari, Z., Alomari, K., & Aljawarneh, 2020). vi) Encourage Christian leadership partnership and transformation (Reid, 2020; Grimes & Bennett, 2015; Machokoto, 2019).). The mind of the transformational leader and advisory support roles are crucial (Benton, 2023; Branson & Martinez, 2023; Yin et al., 2017); vii) To emphasize Social Entrepreneurship (Stammler, 2023; Choi & Mujamdar, 2014; Saebi et al., 2019; De Bruin et al., 2022; Moschella, 2021). viii) To adopt US-guaranteed employment re-entry programs for 1 to 2 million idle seniors in one to ten years (those voluntarily retiring at 70 or 72). These factors in items i) to viii) will be a tough sell. However, they will help boost and sustain SSTF solvency for generations.

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