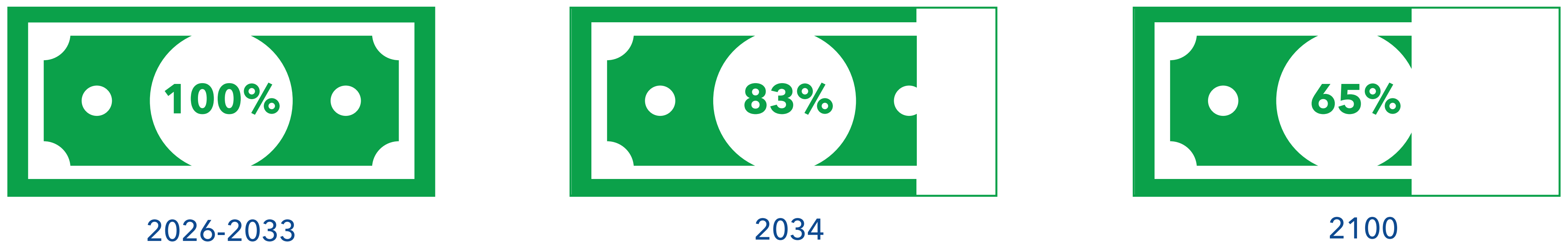
AMERICAN ACADEMY of ACTUARIES

Highlights from the **2026 Social Security Trustees Report**

- The Old Age and Survivors trust fund will be depleted in the fourth quarter of 2032, based on the Trustees' intermediate assumptions, one quarter earlier than in last year's report. However, since Congress can enact a law to make financial transfers from the Disability to the Old Age and Survivors programs, our analysis focuses on the combined funds. On a combined basis, the funds are projected to last until the third quarter of 2034, the same quarter as in last year's report.
- If changes to the program are not implemented before 2034, only 83% of scheduled benefits would be payable upon depletion, falling to 65% by 2100.
- The 75-year actuarial deficit increased from 3.82% of taxable payroll to 4.42% of taxable payroll. This increase was primarily due to (1) lower projected fertility rates, (2) lower assumed numbers of temporary or unlawful immigrants, and (3) the effects of 2025 tax legislation. These changes were somewhat offset by (1) higher projected rates of real earnings growth, mostly in the next decade, and (2) slightly lower longevity expectations.

Percentage of Scheduled Benefits Projected to be Payable by the Combined Social Security Trust Funds



What Can Be Done

Only Congressional action can materially affect the 2034 trust fund reserve depletion date.

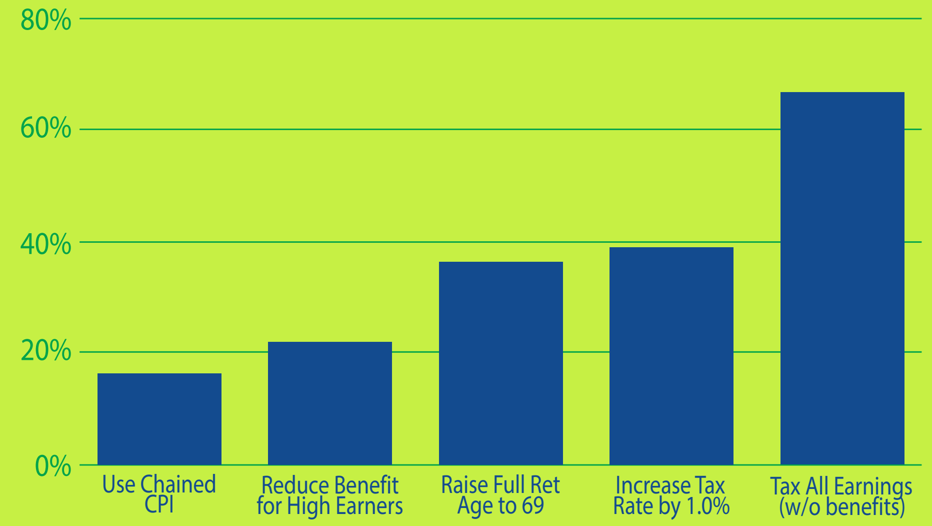
Lawmakers have a range of policy options that could close or reduce Social Security's short-term and long-term financial shortfall. Policy options include:

- increasing system revenue
- decreasing system benefits
- a combination of both.

The sooner reform action is taken, the more options will be available. The Academy's April 2026 issue brief *Reforming Social Security Sooner Rather Than Later* describes the array of potential options in more detail.

The chart shows the percentage of the 75-year deficit addressed by some potential reform changes.

Reductions in 75-Year Deficit for Sample Changes



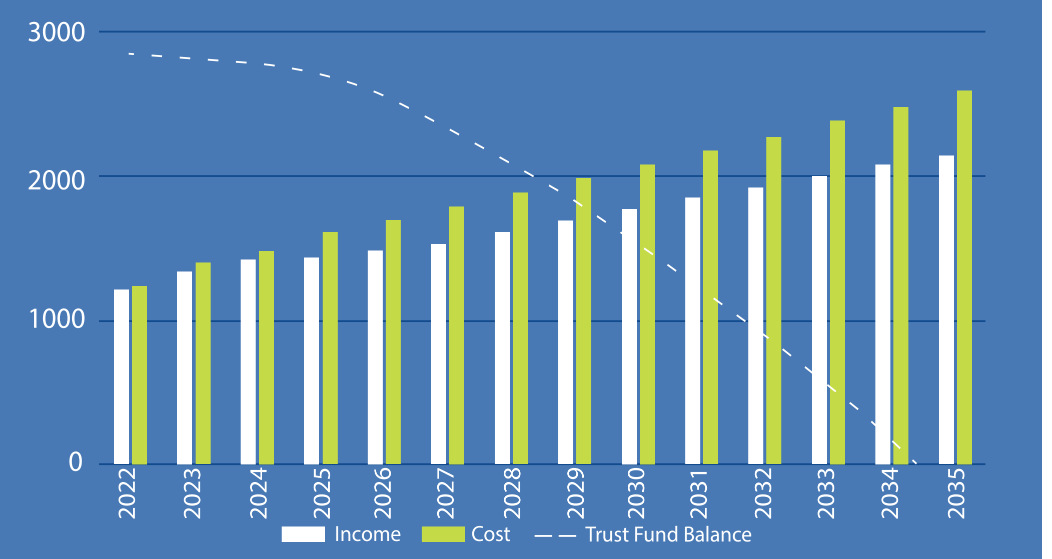
Check out the Academy's Social Security Challenge for further explanation.

Financials

Short-term: The trust fund reserves of $2.56 trillion are relatively small compared with future benefits and will become depleted as the system's cash flow deficit widens. Income is projected to cover 83% of benefits immediately after fund depletion. Based on scheduled benefits, program costs are projected to increase from $1.61 trillion to $2.49 trillion from 2025 to 2034, while system income increases from $1.45 trillion to $2.08 trillion.

Long-term: The 75-year actuarial deficit increased to 4.42% of taxable payroll, up from 3.82% in the 2025 report. The three largest contributors to the increase in the 75-year actuarial deficit from 3.82% in the 2025 report to 4.42% this year were the lower fertility assumption (0.35%), immigration updates (0.21%), and the effects of 2025 tax legislation (0.16%).

Social Security Operations ($ billions)



Note: costs reflect scheduled benefits, not all of which may be paid after trust fund depletion.

To pay current scheduled benefits for 75 years, the system requires either a 31% increase in total income, a 25% decrease in benefits, or some combination of both.

Economics

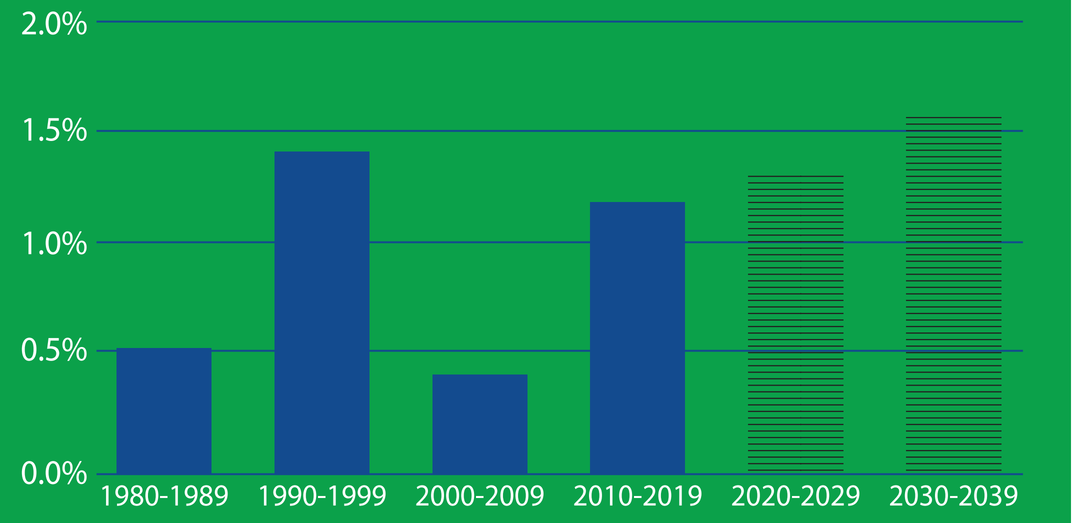
Growth in payroll tax revenue significantly affects the system's financial soundness.

Economic growth enables wages and payroll taxes to rise. Real gross domestic product (GDP) is estimated to have grown by 2.2% in 2025 and at an average rate of 2.4% over the 2019-2024 period. Real GDP growth is projected to average 1.7% over the long term.

Real wage growth has averaged about 0.9% over the past 20 years, significantly below the 1.5% real wage growth assumed by the architects of the 1983 Social Security reform effort. A substantial increase in wage disparity, especially in the 1980s and 1990s, also acted to diminish the growth of Social Security payroll taxes.

Real wage growth is expected to rebound to a 1.8% annual rate over the next 10 years before tailing off to a 1.1% rate over the longer term. This represents a cumulative improvement of about 2.6% over the next 10 years compared with that projected in the prior Trustees report.

Real Wage Growth



People

The number of workers paying into the system is a critical driver of its financial health. In 2025, 185 million workers paid Social Security taxes, while 70 million individuals received Social Security benefits. There were about 2.6 workers for each beneficiary, down from 2.7 in 2024. Projections indicate that by 2034, when most baby boomers will be retired, there will be only 2.3 covered workers per beneficiary, with the ratio eventually leveling out at 1.9 in 2075.

The Trustees assume that fertility rates (the number of children born to a woman over her lifetime) will increase from the current rate of about 1.59 births per woman in 2025 to 1.75 (down from 1.9 in the prior report) by 2045. Life expectancy will continue to increase, but at a slightly lower rate than previously assumed.

The net number of immigrants is expected to decrease significantly over the 2025-2029 period, from an annual average of 1.5 million in last year's report to about 0.4 million, a cumulative decline of 5.5 million. Total net immigration is projected to average 1.14 million people per year during the 75-year projection period, down from the previous assumption of 1.27 million.

The combined effect of these factors is that the population is still projected to grow, but at a slower rate, and will age more rapidly. Fewer workers supporting each retiree adds to the system's financial imbalance.

U.S. Population (millions)