Beyond 2032 to the 22nd Century

Cheat Sheet

Introduction

The bedrock of Social Security's finances is the combination of demographics and economics. But the demographics and economics that determine Social Security's viability also reflect the country's demographic and economic problems. The evidence points to **five identified threats and two major concerns** that are, or could be, a drag on the US economy, and thus Social Security. These problems are addressable, and their effects on Social Security are relatively easy to predict. Below is a summary of findings and recommendations from Roosevelt's new report, *1983 v. 2032: The Economics of the Last and Next Social Security Reform* by economist Kathryn Anne Edwards.

KEY

PROGRAM RESPONSE	POLICY SCENARIO	PATH FORWARD
What are reforms to the Social Security system that can address this particular issue?	What is the ideal policy outcome for this issue?	What are the necessary policy responses to address this issue?

Threats to Social Security

1. Labor Force Participation

Threat: High labor force participation is crucial for Social Security's finances. However, labor force participation shows numerous divergent trends that could weaken Social Security solvency.		
PROGRAM RESPONSE	**POLICY SCENARIO**	**PATH FORWARD**
Bring the last 6 percent of workers into the tax base. Let people claim a partial benefit while still working to support continued labor force attachment.	Full employment as a policy goal. A broader unemployment system focused on long-term labor force participation and earnings.	Paid sick and family leave, universal childcare, guaranteed flexible work arrangements for some workers, and a phased-retirement option.

2. Decline in Immigration

Threat: A sustainable flow of immigrants into the United States significantly helps with Social Security's solvency by contributing payroll taxes and supporting growth in the working-age population. Policies that sharply reduce immigration would weaken both sources of support.		
PROGRAM RESPONSE	**POLICY SCENARIO**	**PATH FORWARD**
Allow unauthorized immigrant workers to earn benefit eligibility from contributions made while unauthorized. Encourages contributions and reduces employer incentives to hire unauthorized workers to reduce employer-side tax bills.	A high-functioning system that encourages legal immigration remains beneficial to Social Security; the clearly detrimental scenario is a dramatic decline in immigration.	Comprehensive immigration reform that integrates workers into the system.

3. Family Formation

Threat: Marriage rates have fallen for roughly 50 years, alongside declining fertility and growth in nonmarital families. These trends do not necessarily threaten Social Security if they are incorporated into reform projections, but faster or deeper declines than anticipated could reduce future workforce growth and weaken the program's finances.		
PROGRAM RESPONSE	**POLICY SCENARIO**	**PATH FORWARD**
Replace the lifetime spousal-benefit calculation with a quarter-by-quarter credit based on the higher of a worker's own earnings or a share of a spouse's earnings—effectively creating a caregiving credit.	Affordable reproductive and family care services that reduce cost barriers to having any/additional children. Access to this care supports labor force participation and attachment.	Reduce out-of-pocket expenses for reproductive care and technology, establish paid leave, and provide universal childcare.

4. Weak Earnings Growth

Threat: Wage inequality and wage stagnation are eroding the taxable wage base that supports Social Security.		
PROGRAM RESPONSE	**POLICY SCENARIO**	**PATH FORWARD**
Raise or remove the current cap on taxable wages. Make the Social Security formula more progressive. Tax employers that use independent contractors. Bring in additional revenue sources (capital gains, inheritances, estates, etc.) to reduce reliance on wages.	Increase wages and union power to reduce income dispersion. Address employer concentrations in labor markets, regulate hiring practices, and restrict noncompete agreements.	Raise the federal minimum wage, restore and expand collective bargaining rights, and adequately fund labor law enforcement.

5. Recessions

Threat: Recessions raise unemployment, depress wages, and reduce payroll-tax revenue. When downturns produce prolonged unemployment—especially for older workers—they can push people to claim retirement benefits early or turn to disability insurance. Weak fiscal responses can extend these effects and leave lasting damage to Social Security's finances.		
PROGRAM RESPONSE	**POLICY SCENARIO**	**PATH FORWARD**
Add a benefit for older individuals impacted by job loss who might face long or permanent unemployment. Provide access to work supports and job resources.	Strong unemployment programs so displaced workers can regain employment and recover wages more quickly, while reducing pressure on older workers to claim Social Security early or rely on disability benefits during prolonged downturns.	Develop a broader unemployment program that includes job-search counseling, training support, small-business support, job-search assistance, and public employment opportunities. Other work supports, such as relocation assistance and health insurance, can improve worker well-being and retention.

Future Concerns for Social Security

The threats identified in the previous section have been proven through decades of research and experience. In addition to those threats, **two broader issues** pose concerns for Social Security's finances: **climate change and artificial intelligence**. We do not have enough experience to know how these concerns will manifest or affect Social Security. However, both concerns carry the prospect of economic insecurity, which Social Security is very familiar with.

1. Climate Change

Concern: Climate change could destroy or devalue property, interrupt or displace work, create dangerous working conditions, and drive migration. The risk to the program depends largely on how effectively policymakers manage their consequences.		
PROGRAM RESPONSE	**POLICY SCENARIO**	**PATH FORWARD**
Use a minimum trust-fund reserve relative to annual program costs as a measure of solvency, rather than relying only on whether revenues and benefits balance over a 75-year period.	Effective responses prevent climate-related property loss, displacement, migration, and unsafe work from becoming prolonged unemployment, wage loss, and widespread economic insecurity.	Require more regular Social Security maintenance, potentially using earlier trust-fund-ratio or actuarial-balance benchmarks to keep the program financially healthy and responsive to major disruptions.

2. Artificial Intelligence

Concern: AI could eliminate some jobs and tasks while creating others, with uncertain effects on the pace of displacement and the level and distribution of wages. Social Security has weathered earlier technological transitions. The greater risk is allowing AI-related disruption to become prolonged unemployment and wage loss.		
PROGRAM RESPONSE	**POLICY SCENARIO**	**PATH FORWARD**
Do not redesign Social Security around uncertain predictions about AI. Keep the program financially healthy and agile enough to absorb labor-market disruptions as they emerge.	Help workers displaced by AI reenter the workforce through stronger unemployment and job-seeker supports, retraining, and education.	Maintain Social Security regularly rather than waiting for another funding crisis, preserving the financial security and flexibility needed to respond to technological change.