

Typical Middle Class Baby Boomer Social Security Contributions and Benefits

Summary

Age 22, Start work at salary of \$2600, work 43 years, paying full social security contributions each year

Age 65, Retire with a salary of \$50,000, about \$175,000 total "contributions plus interest"

Age 75, 10 years of retirement benefits basically "use up" all "contributions" plus interest=\$216,000

Age 85, 20 years of retirement benefits total about \$525,000, 2½ times total "contributions" plus interest

Age 95, 30 years retirement benefits total about \$1,000,000, or 4½ times what was put in, plus interest

If inflation is ever greater than about 3 or 4 percent, these "deficits" will increase.

If less time is worked, or less is made while working, the ratio of benefits to contributions will only increase from 4.44 for this typical person

Data

PR = Prime Rate, %; AY = annual yield on account, %

Year	Income	SSI %	Tax Base	Tax	PR	AY	Principal K(-1) + E	Int.	Benefit	Current Account Balance H + I - J	Total Contributions plus Interest
1968	2600	7.6	7800	198	6	3	198	6		204	204
1969	2800	8.4	7800	235	7	4	439	18		457	457
1970	3000	8.4	7800	252	7	4	709	28		737	737
1971	3200	9.2	7800	294	6	3	1031	31		1062	1062
1972	3600	9.2	9000	331	5	3	1394	42		1435	1435
1973	3900	9.7	10800	378	8	4	1814	73		1886	1886
1974	4200	9.9	13200	416	11	6	2302	138		2440	2440
1975	4600	9.9	14100	455	9	5	2896	145		3040	3040
1976	5100	9.9	15300	505	7	4	3545	142		3687	3687
1977	5500	9.9	16500	545	7	4	4232	169		4401	4401
1978	6000	10.2	17700	612	11	6	5013	301		5314	5314
1979	6700	10.2	22900	683	16	8	5997	480		6477	6477
1980	7400	10.2	25900	755	18	9	7232	651		7882	7882
1981	8300	10.7	29700	888	18	9	8770	789		9560	9560
1982	9000	10.8	32400	972	14	7	10532	737		11269	11269
1983	9600	10.8	35700	1037	11	6	12306	738		13044	13044
1984	10400	11.4	37800	1186	12	6	14230	854		15084	15084
1985	11000	11.4	39600	1254	10	5	16338	817		17154	17154
1986	11600	11.4	42000	1322	8	4	18477	739		19216	19216
1987	12600	11.4	43800	1436	9	5	20652	1033		21685	21685
1988	13500	12.1	45000	1634	10	5	23318	1166		24484	24484
1989	14300	12.1	48000	1730	11	6	26215	1573		27788	27788
1990	15200	12.4	51300	1885	10	5	29672	1484		31156	31156
1991	16100	12.4	53400	1996	8	4	33152	1326		34478	34478
1992	17300	12.4	55500	2145	6	3	36624	1099		37722	37722
1993	17800	12.4	57600	2207	6	3	39930	1198		41127	41127
1994	18600	12.4	60600	2306	7	4	43434	1737		45171	45171
1995	19800	12.4	61200	2455	8	4	47626	1905		49531	49531
1996	21100	12.4	62700	2616	8	4	52148	2086		54234	54234
1997	22800	12.4	65400	2827	8	4	57061	2282		59343	59343
1998	24500	12.4	68400	3038	8	4	62381	2495		64877	64877
1999	26400	12.4	72600	3274	8	4	68150	2726		70876	70876
2000	28400	12.4	76200	3522	9	5	74398	3720		78118	78118
2001	29700	12.4	80400	3683	6	3	81801	2454		84255	84255
2002	30600	12.4	84900	3794	5	3	88049	2641		90690	90690
2003	31900	12.4	87000	3956	4	2	94646	1893		96539	96539
2004	34100	12.4	87900	4228	5	3	100767	3023		103790	103790
2005	36000	12.4	90000	4464	7	4	108254	4330		112585	112585
2006	38400	12.4	94200	4762	7	4	117346	4694		122040	122040
2007	41000	12.4	97500	5084	7	4	127124	5085		132209	132209
2008	42800	12.4	102000	5307	5	3	137516	4125		141642	141642
2009	43000	12.4	106800	5332	3	2	146974	2939		149913	149913
2010	44900	12.4	106800	5568	3	2	155481	3110		158590	158590
2011	47200	12.4	106800	5853	3	2	164443	3289		167732	167732
2012	50000	12.4	110100	6200	3	2	173932	3479		177411	177411
2013						3	177411	5322	17900	164833	182733
2014						3	164833	4945	18437	151341	187678
2015						3	151341	4540	18990	136891	192218
2016						3	136891	4107	19560	121438	196325
2017						4	121438	4858	20342	105953	201183
2018						4	105953	4238	21156	89036	205421
2019						4	89036	3561	22002	70595	208982
2020						4	70595	2824	22882	50536	211806
2021						5	50536	2527	24026	29037	214333
2022	Age 75					5	29037	1452	25228	5261	215785
2023						5	5261	263	26489	-20965	216048
2024						5		0	27813	-48778	
2025						4			28926	-77704	
2026						4			30083	-107787	
2027						4			31286	-139074	
2028						4			32538	-171612	
2029						3			33514	-205125	
2030						3			34519	-239645	
2031						3			35555	-275200	
2032						3			36622	-311821	
2033	Age 85					3		Total Benefit	527869		
2034						3			37720	-349542	
2035						3			38852	-388394	
2036						3			40017	-428411	
2037						3			41218	-469629	
2038						3			42454	-512083	
2039						3			43728	-555812	
2040						3			45040	-600852	
2041						3			46391	-647243	
2042						3			47783	-695026	
	Age 95							Total	960290		