



# EPI FACT SHEET

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## TOP TEN REASONS *NOT* TO RAISE THE RETIREMENT AGE

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1. **Raising the retirement age is a benefit cut, and benefits are already too low.** The average retiree receives less than \$14,000 a year from Social Security, which is less than the minimum wage.
2. **It cuts benefits for all retirees, whether they retire at age 62, age 70, or any other age—and it is a cut for retired workers' spouses, widows, and dependents, as well.** When the retirement age was raised from 65 to 67, it cut benefits for the average worker who retires at 65 by 13%, meaning they lose, on average, \$28,154 over the course of their expected retirement. Raising the retirement age further, to 70, would cut benefits another 19%, costing the average worker another \$35,419, for a total loss of \$63,573.
3. **The retirement age is still rising from the last round of changes.** It has already increased from 65 to 66 and will continue to rise to 67 for people born in 1960 or later.
4. **Social Security's problem is not that people are living longer.** The ratio of working years to retirement years will be no higher in 2022 than it was in 1983, when Congress last raised the retirement age. People work roughly two years for every year of retirement, and while people at age 65 are living three years longer than they did 27 years ago, the 1983 law requires them to work two years more, maintaining the same basic ratio of work years to retirement years. In other words, the share of time spent in the labor force compared to retirement will be the same in 2022.
5. **The biggest financial problem facing Social Security is rising income inequality, which cannot be addressed by raising the retirement age.** In 1983, 10% of all earnings were above the taxable earnings cap, compared to 16% today, which leaves high earners with a windfall and Social Security with a shortfall. If those earnings were brought back under the cap and taxed, about 40% of the Social Security funding shortfall would disappear.
6. **Raising the retirement age affects all workers, even those who have seen little or no increase in life expectancy.** Men in the top half of the earnings distribution have increased their life expectancy at age 65 by five years since 1982. Lower-income men have seen a gain of only 1.1 years, and lower income women have seen life expectancy decline

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7. **Working longer is not a choice for millions of Americans, many of whom hold physically demanding jobs.** People in physically demanding jobs tend to have more physical ailments and also tend to be poorer than average. Sixty-one percent of physically demanding jobs are held by workers in the bottom 40% of the wage scale.
  8. **Older Americans are already working longer than they did even 40 years ago.** The labor force participation rate of people 65 and older has been climbing for two decades.
  9. **The shortfall can be reduced without cutting benefits. Taxes should be raised on the highest earners, who pay a much lower share of their income in Social Security taxes.** Closing loopholes and raising the taxable earnings cap so it covers the same share of national income as in 1983 would eliminate more than half the Social Security budget shortfall. Removing the cap on the employer's taxes would all but eliminate the rest of the shortfall.
  10. **More than 70% of the American people oppose raising the retirement age.** Over 60% favor lifting the payroll tax cap for incomes over the current threshold.