

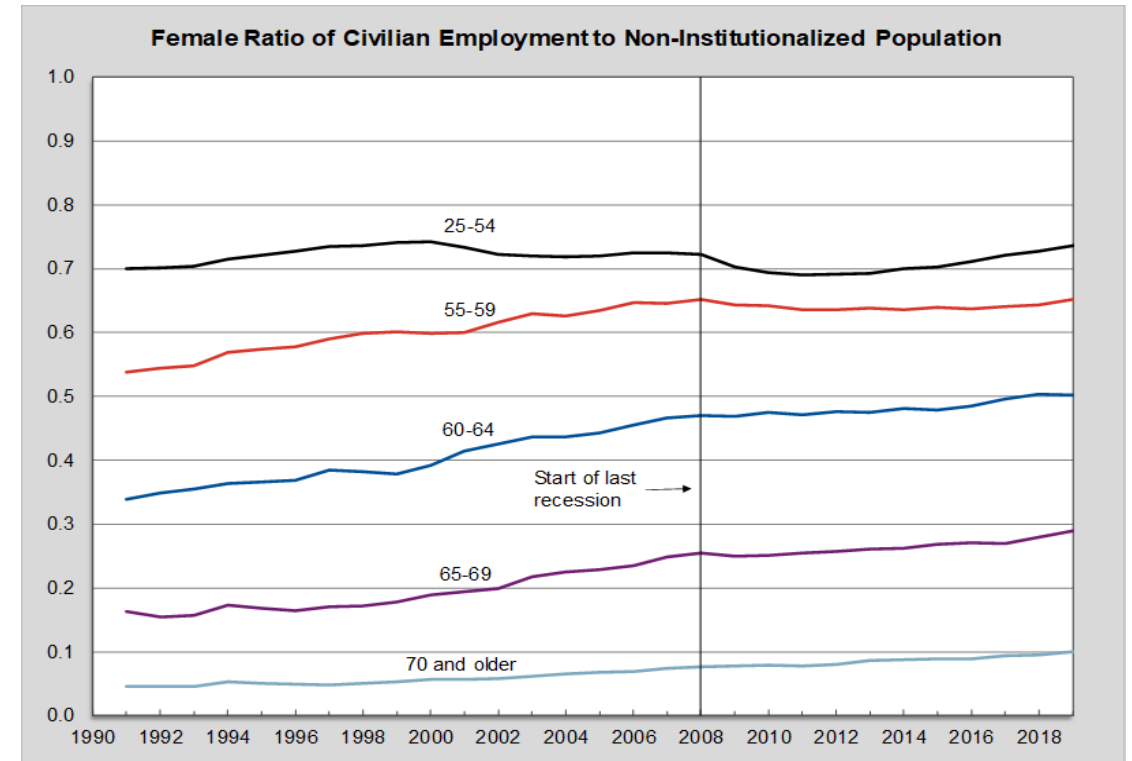
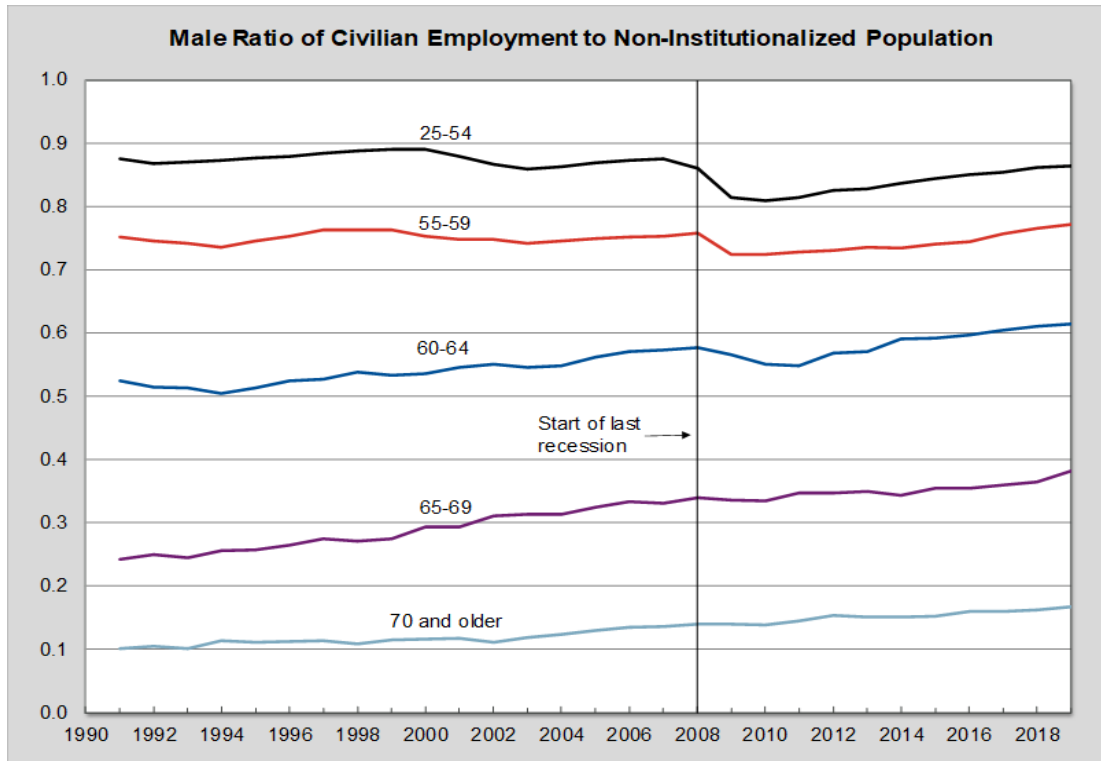
Panel 1: Social Security Benefits and Demographic Trends

Karen Glenn, Deputy Chief Actuary
Social Security Administration

2020 Retirement and Disability Research Consortium Annual Meeting
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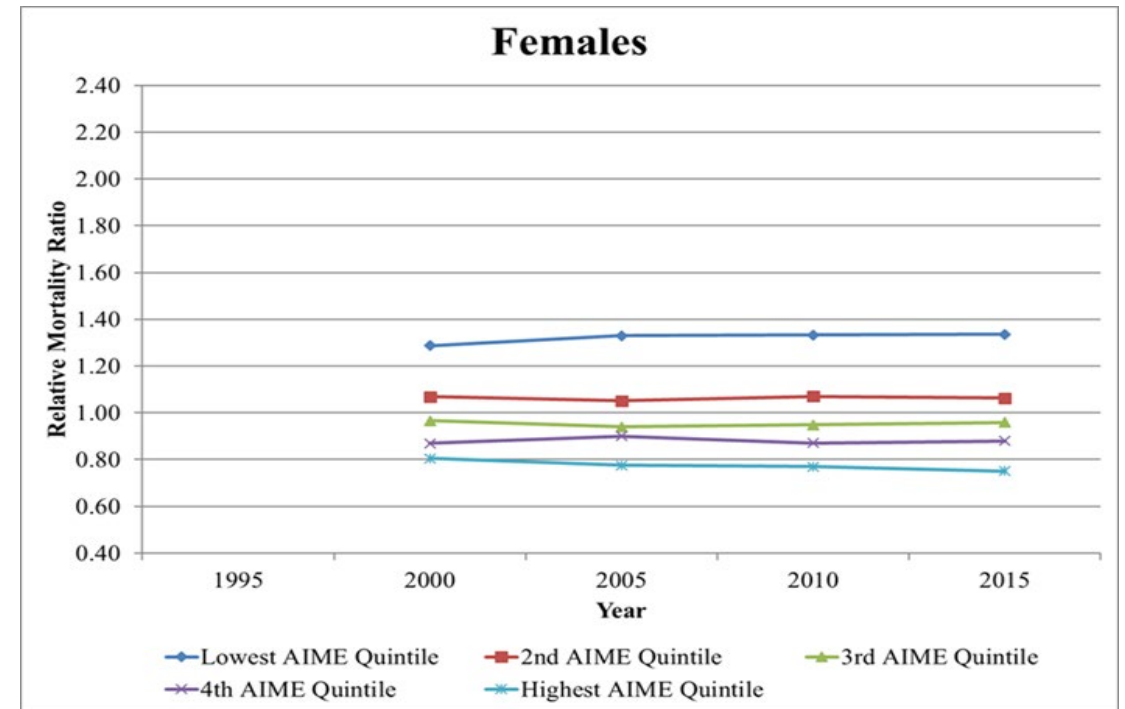
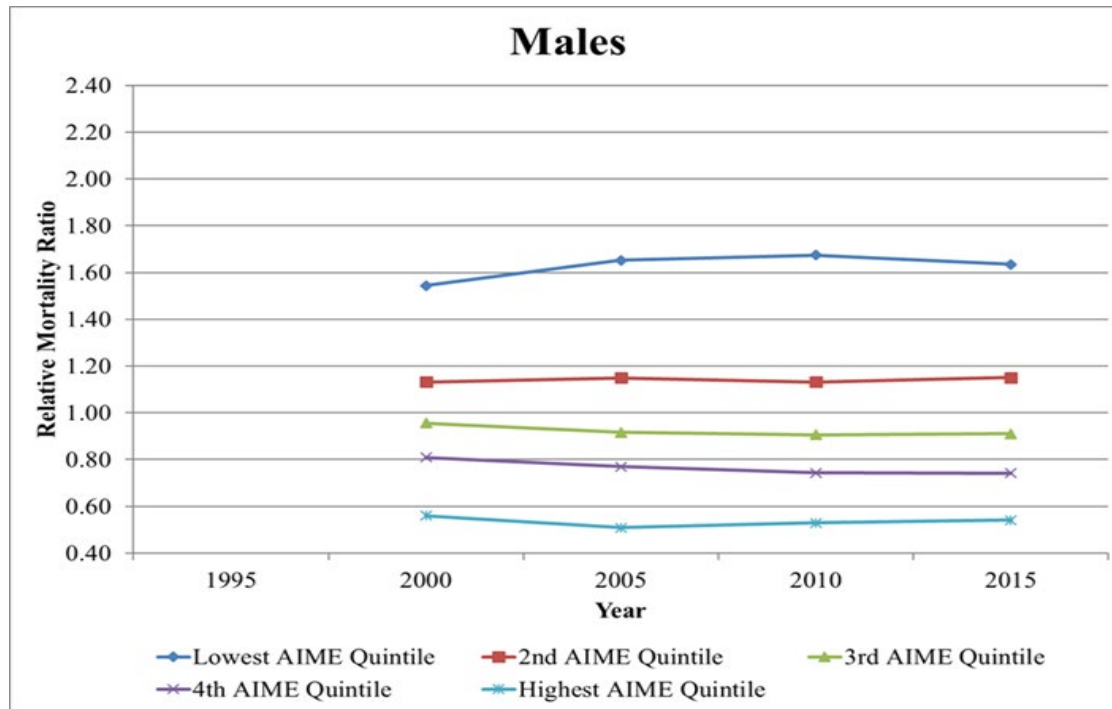
Employment / Labor Force Participation

- Employment has direct effects on the amount of payroll tax revenue coming in to the Social Security program; labor force participation rates (LFPs) are a closely-related measure
- Trustees' projections of LFPR consider business cycles, disability prevalence, education, marital status, presence of young children, benefit replacement rates, the retirement earnings test, and life expectancy
- Damir and his co-authors focus on the relationship between life expectancy and LFPR



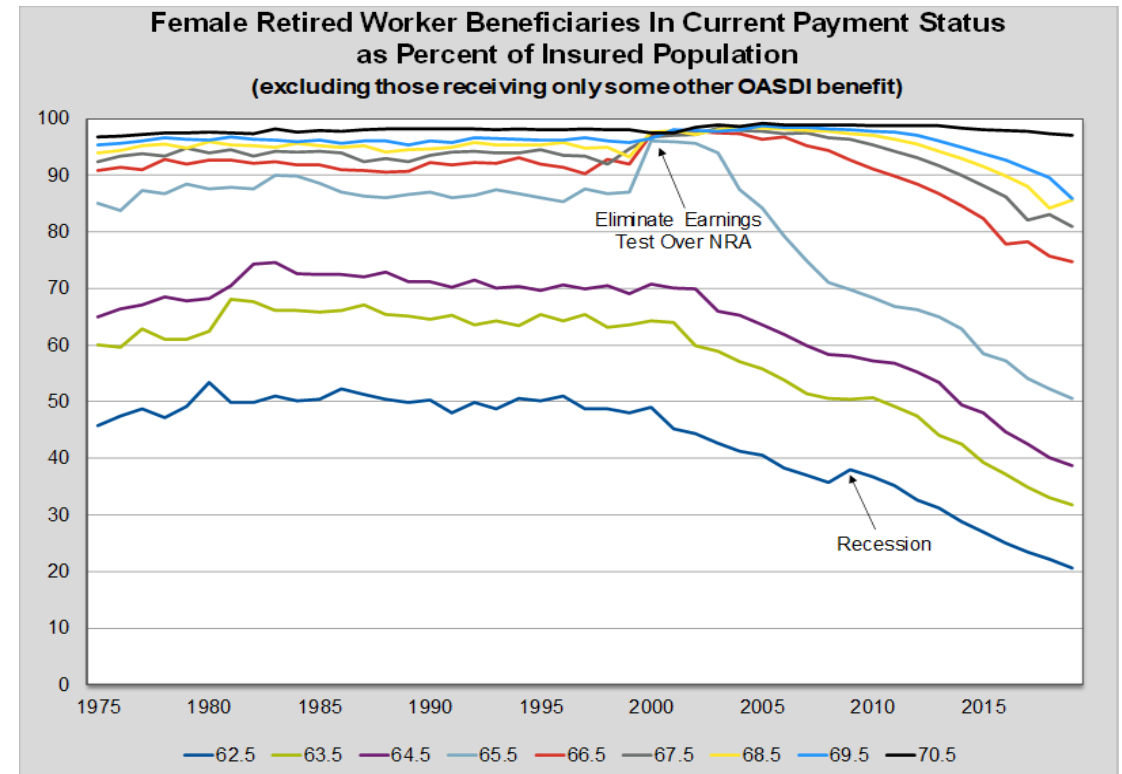
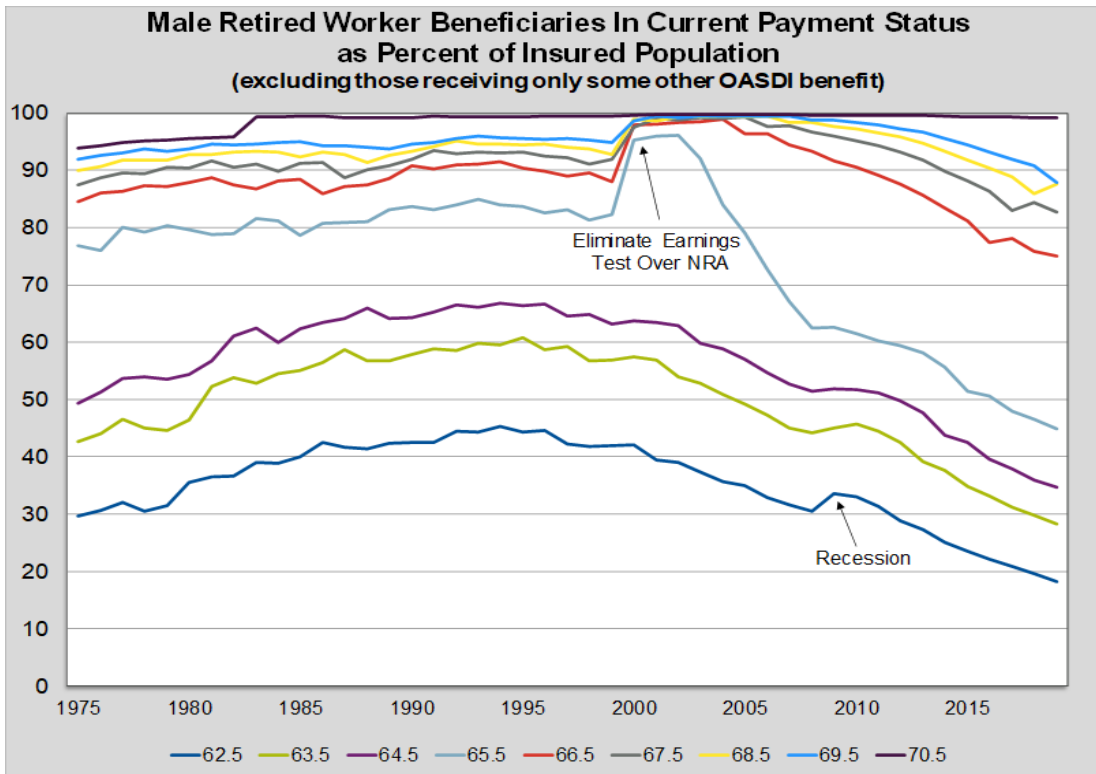
Longevity / Differential Mortality

- *Mortality by Career-Average Earnings Level* study by Bosley, Morris, and Glenn (2018): https://www.ssa.gov/OACT/NOTES/pdf_studies/study124.pdf
- Our study looked at mortality for Social Security retired worker beneficiaries in various age groups, through time
- We observed lower death rates for those with higher-than-average career earnings (AIME) levels, and higher death rates for those with lower-than-average AIME levels; spreads for females are smaller than those for males; ages 65-69 are shown below
- Mary's paper focuses on the SSI population, and the relationship between nursing home use and increasing longevity and diversity



Trends in Retirement Benefit Claiming Ages

- Social Security retirement benefit claiming patterns have changed significantly over the years
- Changes in the retirement earnings test and in the full retirement age have had big effects in the past—and recently, the trend is clearly toward later claiming
- Damon and his co-authors consider how workers respond to the earnings test—often in irrational ways



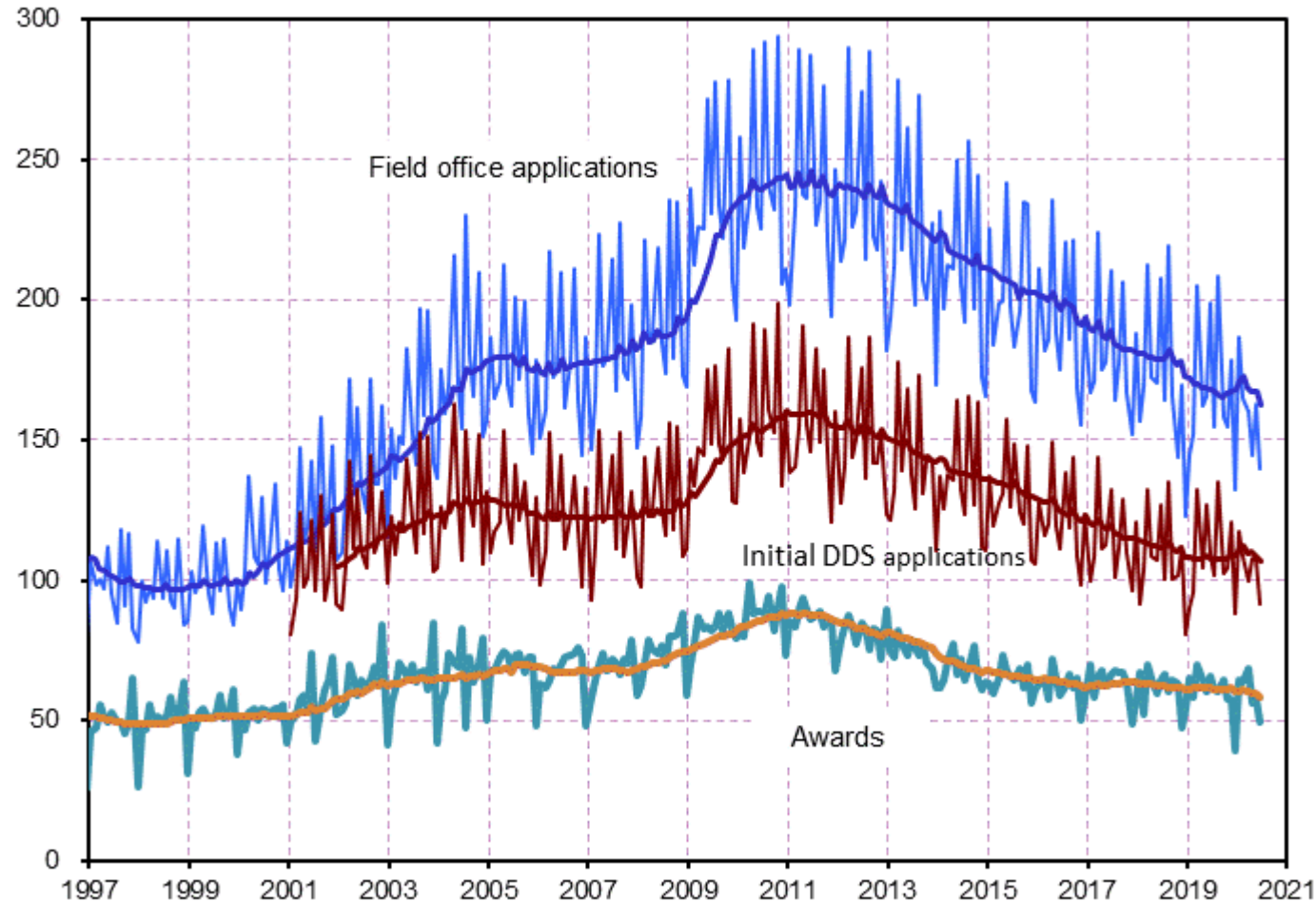
Panel 1: Social Security Benefits and Demographic Trends

Elephant in the Room: COVID Effects

- Employment and LFPRs have declined along with the COVID-induced recession—will they remain low, or rebound soon?
- Will COVID deaths continue to be concentrated at older ages, and among people of color?
- Will there be persistent and even cumulative effects on mortality (and morbidity) in the longer term?
 - Direct virus-related immediate deaths
 - Increased deaths of despair/violence—suicide, homicide?
 - Decreased life expectancy from compromise for COVID survivors; how much?
- So much depends on government and individual responses, along with the timing and efficacy of a vaccine

Elephant in the Room: COVID Effects

Disabled worker data through June 2020 (numbers in thousands)
Number in month and 12-month moving average



Source: <https://www.ssa.gov/oact/STATS/dibGraphs.html>

- There has been speculation in the press and elsewhere that the COVID-induced recession will cause workers to apply for retirement benefits earlier than they would have otherwise
- We aren't seeing this in the data—yet
- Similarly, we aren't yet seeing evidence of increased DI or SSI applications
- Speculation is that folks are relying on extended unemployment benefits for now, but might start applying earlier if the recession persists