



THE US SOCIAL SECURITY SYSTEM: AN INTERNATIONAL COMPARISON

Elaine Fultz

International Labor Organization,
Social Security Department (retired)

Based on *OECD Pensions at a Glance*
2013 report



US in relation to other OECD countries:

Demographic challenge

Benefit adequacy



OECD Member States

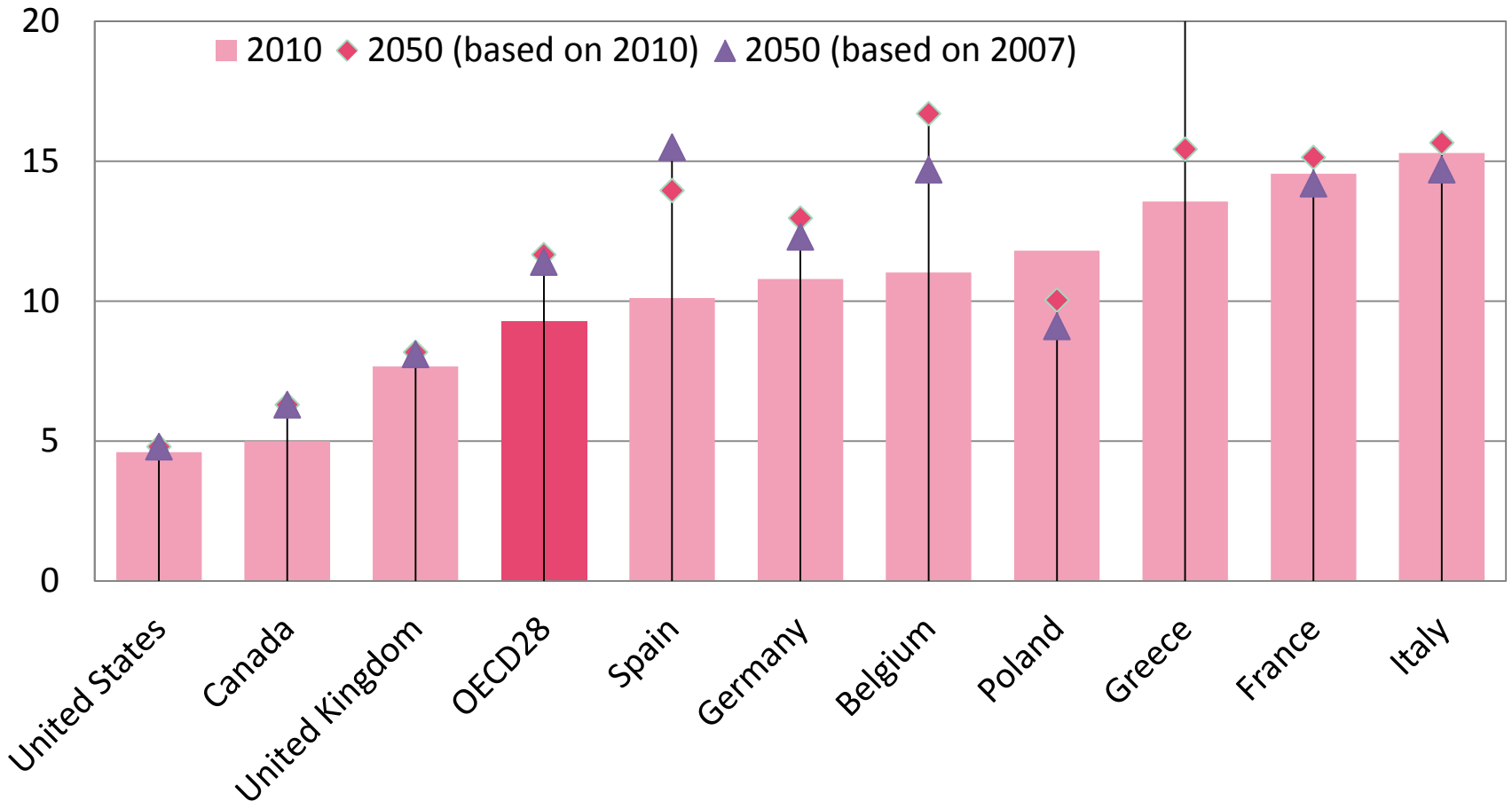


Demographic challenge





Public Expenditure on Old Age and Survivors' Benefits, % of GDP



Source: European Commission (2012), *EU Ageing Report 2012*; Canada: Office of the Chief Actuary; United States Social Security Administration (2010)



Pension contribution rates (2012), % of gross earnings

	Employee	Employer	Total
US	4.2	6.2	10.4
OECD	8.4	11.2	19.6



Fertility rates and life expectancy, 2010-15

	Fertility	Life expectancy
OECD	1.74	77.2 (men) 82.7 (women)
US	1.97	76.4 (men) 81.2 (women)



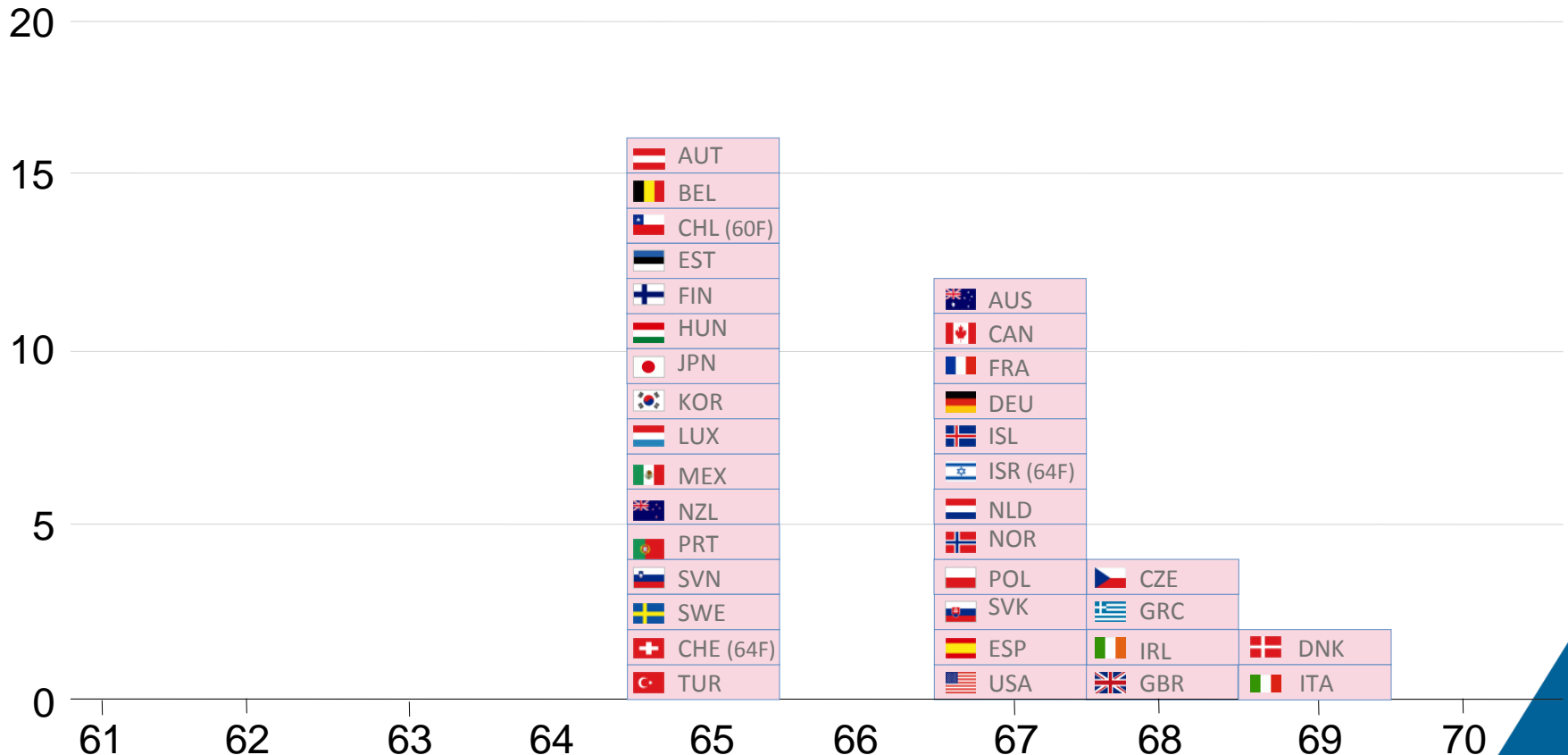
US Social Security Retirement Age

- 1983 Amendments mandated increase in full retirement age from 65 to 67, beginning in 2000
 - Reached 66 in 2012
 - Rising to 67 by 2022
- Early retirement age not increased



US retirement age in comparative perspective – legislated future ages

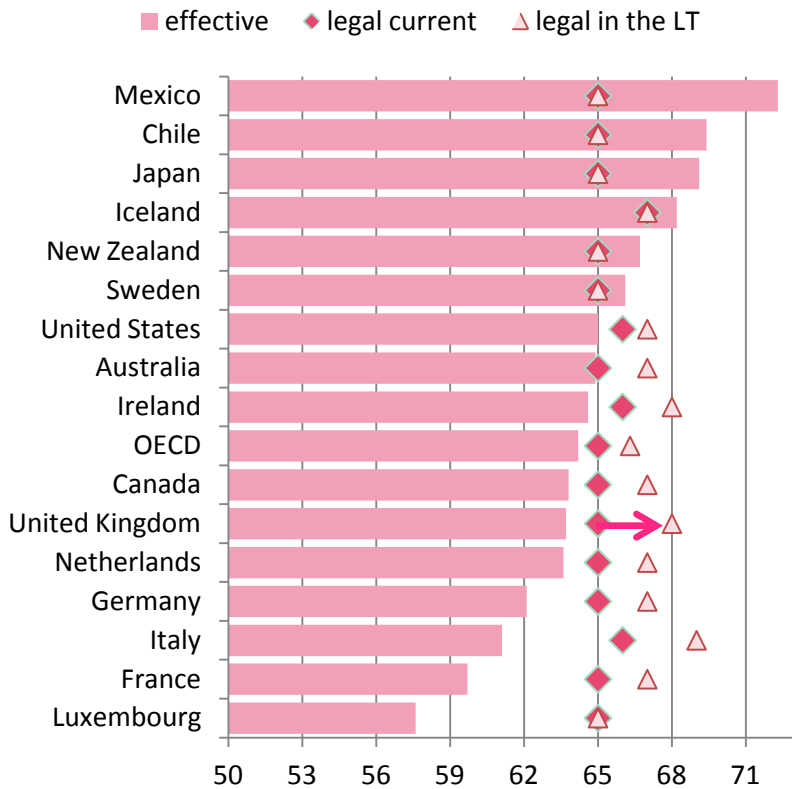
Number of OECD-34 countries



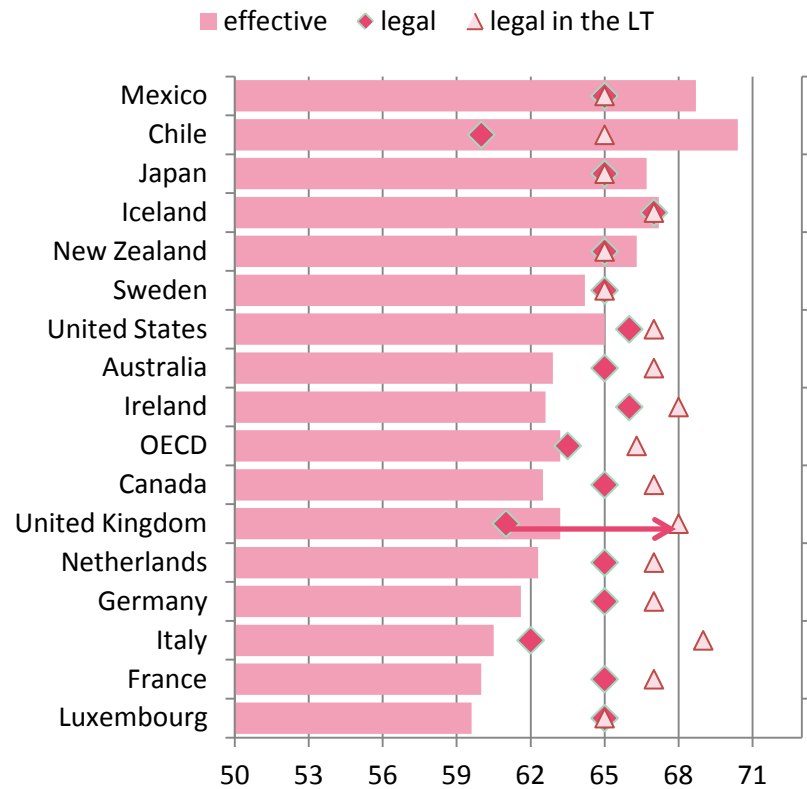


Effective retirement age, present legal retirement age, and long-term legal retirement age

Men



Women



Age, years



Benefit adequacy



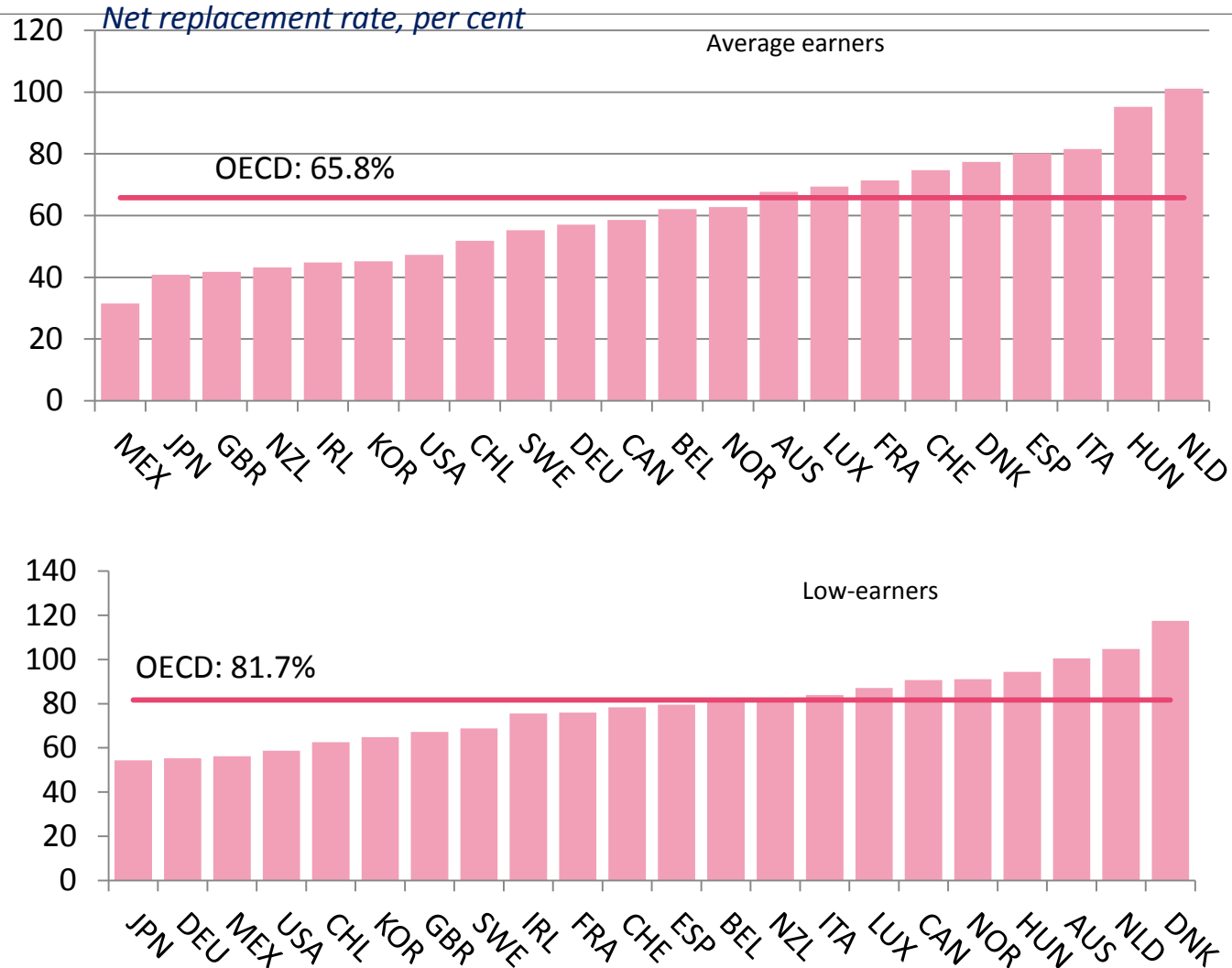


Wage replacement rates – public pension - median earner (2012)

	Gross (pre tax)	Net (after tax)
US	41	49
OECD	58	69



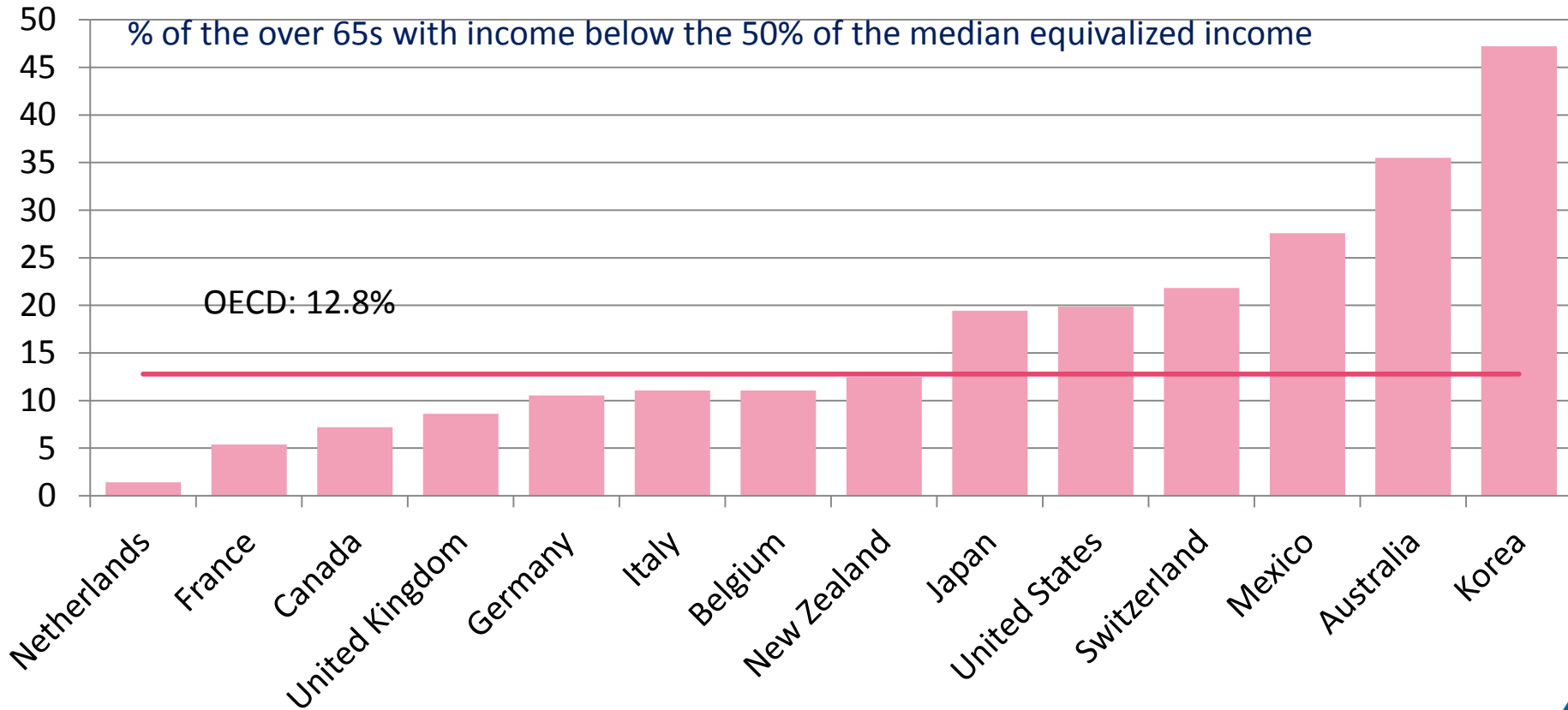
Future public pension (net) replacement rates



Source: OECD Pension Models



Old-age poverty rates - 2012





What is our social security system's main challenge, viewed from abroad?

- The demographic challenge that dominates public discourse is modest by international standards.
- On benefit adequacy, the US ranks significantly lower than the OECD average.