

- PRESS
- Press Releases

Social Security Generates Nearly 1.4 Trillion in Economic Activity Supports More Than Nine Million Jobs

AARP Study Quantifies Social Security Benefits' Critical Contributions to National, State Economies

WASHINGTON, D.C. – A new study from AARP's Public Policy Institute calculates that each dollar paid to Social Security beneficiaries generates nearly two dollars in spending by individuals and businesses, adding about \$1.4 trillion in total economic output to the U.S. economy in 2012. The report also finds the \$762 billion paid in Social Security benefits in 2012 helped Americans keep or find more than nine million jobs.

Social Security's Impact on the National Economy details the powerful multiplier effect created when Social Security recipients spend their benefits and the companies which receive those dollars spend their profits and pay their employees, who in turn spend their wages. The report provides both national and state-level data.

AARP volunteers and staff are visiting Capitol Hill offices today to deliver the report to their Members of Congress and voice their concerns about the chained CPI, a change proposed in budget negotiations that would cut Social Security benefits.

"This report tells us that any adjustments Washington makes to Social Security will have a profound effect on individuals of all ages, businesses and our economy as a whole," said AARP Executive Vice President Nancy LeaMond. "That's why AARP is fighting the chained CPI and calling for a national conversation about the future of Social Security – so those who paid into the system can have a voice in the debate and so future generations get the benefits they've earned."

Social Security benefit payments in 2012 supported more than \$370 billion in salaries, wages and compensation for workers. Of the more than nine million jobs supported by Social Security spending, about four million were in just ten industries. Nationally, the largest employment impacts were seen in the food services, real estate, health care and retail industries.

In addition to illustrating Social Security's vital role in supporting national and local economies, jobs and workers' incomes, this report reiterates the importance of Social Security as a vital source of income for millions of Americans. Social Security benefits keep 22 million people out of poverty, including more than 15 million older Americans, and serve as the foundation of a secure retirement for millions more.

Social Security's Impact on the National Economy uses an economic modeling system known as IMPLAN to calculate the multiplier effect and trace the impact of Social Security spending through the national and state economies. View the full report and details on methodology here:

<http://www.aarp.org/work/social-security/info-09-2013/social-security-impact-on-the-national-economy-AARP-ppi-econ-sec.html>

Additional resources are available at www.aarp.org/socialsecurity and www.earnedaday.org.

AARP is a nonprofit, nonpartisan organization, with a membership of more than 37 million, that helps people turn their goals and dreams into real possibilities, strengthens communities and fights for the issues that matter most to families such as healthcare, employment and income security, retirement planning, affordable utilities and protection from financial abuse. We advocate for individuals in the marketplace by selecting products and services of high quality and value to carry the AARP name as well as help our members obtain discounts on a wide range of products, travel, and services. A trusted source for lifestyle tips, news and educational information, AARP produces AARP The Magazine, the world's largest circulation magazine; AARP Bulletin; www.aarp.org; AARP TV & Radio; AARP Books; and AARP en Español, a Spanish-language website addressing the interests and needs of Hispanics. AARP does not endorse candidates for public office or make contributions to political campaigns or candidates. The AARP Foundation is an affiliated charity that provides security, protection, and empowerment to older persons in need with support from thousands of volunteers, donors, and sponsors. AARP has staffed offices in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. Learn more at www.aarp.org.

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