

Quantifying the Economic Impact of Social Security Benefit Spending



Key Findings

Benefits paid by Social Security support a significant amount of economic activity in the state of Wisconsin.

Social Security benefits received by retirees and other beneficiaries are spent in the local community. This spending ripples through the economy, as one person's spending becomes another person's income, creating a multiplier effect.

In 2023, expenditures stemming from Social Security supported...

181,775 jobs that paid \$10.3 billion in wages and salaries

\$33.3 billion in total economic output

\$4.7 billion in federal, state, and local tax revenues

... in the state of Wisconsin.

Each dollar paid out in Social Security benefits nationally supported \$2 in total economic activity in states like Wisconsin.

Overview

Social Security benefits provide crucial income to older adults, survivors, children, and Americans with disabilities. Expenditures made by Social Security beneficiaries also provide a steady economic stimulus to Wisconsin communities and the state economy. In 2023, 1,332,623 residents of Wisconsin received a total of \$28.2 billion in Social Security benefits.

The median Social Security retirement benefit received in Wisconsin was \$1,932 per month. The median Social Security disability benefit received was \$1,404 per month. These modest benefits provide retirees, surviving spouses, children, and Americans with disabilities income to meet basic needs.

Wisconsin	Total OASDI Beneficiaries	Total Retirement Beneficiaries	Total Survivor Beneficiaries	Total Disability Beneficiaries
Number of Beneficiaries	1,332,623	1,074,956	97,667	160,000
Total Benefit Payments	\$28.2 billion	\$22.7 billion	\$2.7 billion	\$2.8 billion
Median Monthly Benefit Amount		\$1,932		\$1,404

Median benefit amounts for some beneficiaries are based upon data provided by the Social Security Administration (SSA). No such data is provided for other categories of beneficiaries.

Social Security Benefit Multiplier

Nationally, each \$1 in Social Security benefits paid ultimately supported \$2 in total economic output. This “multiplier” incorporates multiple rounds of impacts of beneficiary spending, as each purchase ripples through the economy of states like Wisconsin. Each dollar of benefits spent supports a greater amount of economic activity because that dollar contributes to the earnings of employees at local businesses who then spend their earnings at other businesses, which broadens the impact of the first dollar spent.

Impact on Jobs and Incomes

Expenditures stemming from Social Security benefits supported 181,775 jobs in the state. The total income to state residents supported by Social Security expenditures was \$10.3 billion.

To put these employment impacts in perspective, in 2023 Wisconsin's unemployment rate was 2.8%. The fact that Social Security benefit expenditures supported 181,775 jobs is significant, as it represents 6.0 percentage points in Wisconsin's labor force.

Economic Impact

Social Security paid a total of \$28.2 billion in benefits to Wisconsin residents in 2023. Expenditures from these benefits supported a total of \$33.3 billion in total economic output in the state, and \$20.6 billion in value added in the state.

Impact on Tax Revenues

Social Security benefit payments made to Wisconsin residents supported a total of \$4.7 billion in revenue to federal, state, and local governments.

Federal Tax	\$2.5 billion
State/Local Tax	\$2.2 billion
Total	\$4.7 billion

Economic Impacts by Industry Sector

The economic impact of Social Security benefits was broadly felt across various industry sectors in Wisconsin. The ten industry sectors with the largest employment impacts are presented in the table to the side.

Industry	Employment Impact (# Jobs)
Limited-service restaurants	9,913
Full-service restaurants	8,277
Hospitals	7,940
Retail - General merchandise stores	6,585
Retail - Food and beverage stores	6,281
Individual and family services	6,011
Offices of physicians	5,104
Tenant-occupied housing	4,431
Other real estate	4,335
All other food and drinking places	4,322

Economic Impacts by Occupation Category

Social Security benefits in Wisconsin supported jobs in every civilian job category. The table below lists the top five occupations by employment impact.

Occupation Category	Wage and Salary Employment	Wage and Salary Income	Supplements to Wages and Salaries	Employee Compensation	Hours Worked
Retail Sales Workers	13,502	\$339,431,706	\$71,977,573	\$411,409,279	18,299,555
Food and Beverage Serving Workers	11,763	\$221,672,137	\$31,258,137	\$252,930,274	12,880,950
Home Health and Personal Care Aides; and Nursing Assistants, Orderlies, and Psychiatric Aides	7,617	\$208,458,751	\$41,097,478	\$249,556,228	12,089,195
Healthcare Diagnosing or Treating Practitioners	7,614	\$975,385,123	\$192,213,508	\$1,167,598,631	14,062,654
Material Moving Workers	6,289	\$225,870,480	\$43,612,181	\$269,482,661	10,201,585