



**National Institute on  
Retirement Security**  
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# Quantifying the Economic Impact of Social Security Benefit Spending

Webinar | November 20, 2025

# Agenda

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- Logistics
- Speaker Introductions
- Research Review
- Research Conversation
- Q&A



# Today's Speakers

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**Tyler Bond**

Research Director

National Institute on Retirement  
Security



**Tracey Gronniger**

Managing Director, Economic Security

Justice in Aging



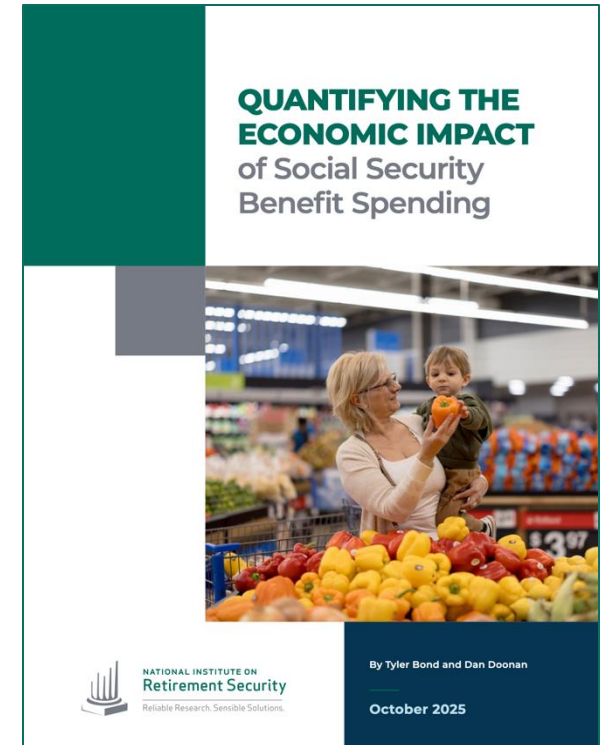
**Jim Palmieri, Ph.D.**

Senior Policy Advisor

AARP Public Policy Institute

# Why This Research?

- Social Security forms the foundation of retirement security in the U.S. The program provides vital benefits to older Americans, surviving spouses, children, and Americans with disabilities.
- Social Security also has a powerful impact on the U.S. economy, but this is often overlooked in discussions about the future of the program. This research aims to draw attention to this economic impact by giving one estimate of the level of impact.
- As debate about how to resolve Social Security's financing gap heats up in the coming years, it's important to remember that any changes to Social Security will have an effect on the U.S. economy.



# Key Findings

This study finds that in 2023 **\$1.38 trillion** in Social Security benefits were paid to more than **67 million** beneficiaries, including:

- More than **\$1 trillion** to nearly 53 million retired worker beneficiaries
- More than **\$154 billion** to nearly 6 million survivor beneficiaries, including more than two million children
- Nearly **\$152 billion** to more than 8.5 million disability beneficiaries





# Key Findings (continued)

Expenditures made out of those payments collectively supported:

- **12.2 million** U.S. jobs that paid **\$804.6 billion** in labor income
- **\$2.6 trillion** in total economic output nationwide
- **\$1.6 trillion** in value added (GDP)
- **\$363.1 billion** in federal, state, and local tax revenue.

Social Security benefit expenditures have large multiplier effects. Each dollar paid out in benefits supported \$2 in total economic output nationally, with the largest employment impacts occurring in the food services, healthcare, and retail trade sectors.



# Research Methodology

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This research used the software program IMPLAN to model the economic impact of the spending of Social Security benefit payments.

What is IMPLAN?

- Used to estimate impacts on jobs, income, value added, total output, and tax revenue.
- An input-output modeling software and data package developed for a USDA Forest Service project, now used for many types of analysis.
- Represents relationships among various sectors in the economy as a matrix & estimates how an initial event reverberates through the economy.

Information on Social Security benefit payments came from publicly available data provided on the Social Security Administration's website. All data references benefit payments made in calendar year 2023 as this was the most recent year available for analysis within IMPLAN.

# Social Security paid \$1.4 trillion in benefits in 2023 to more than 67 million people

**Table 1: Social Security Benefits, 2023**

|                               | Total OASDI Beneficiaries | Total Retirement Beneficiaries | Total Survivor Beneficiaries | Total Disability Beneficiaries |
|-------------------------------|---------------------------|--------------------------------|------------------------------|--------------------------------|
| Number of Beneficiaries       | 67,076,966                | 52,729,819                     | 5,833,423                    | 8,513,724                      |
| Total Benefit Payments        | \$1.4 trillion            | \$1.1 trillion                 | \$154.5 billion              | \$151.8 billion                |
| Median Monthly Benefit Amount |                           | \$1,853                        |                              | \$1,410                        |

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.



# The Spending of Social Security Benefits Has Broad Economic Impact

**Table 2: Jobs and Labor Income**

|                                      | Employment | Labor Income      |
|--------------------------------------|------------|-------------------|
| Social Security Benefit Expenditures | 12,212,475 | \$804,597,188,241 |

**Table 3: Economic Output and Value Added**

|                                      | Economic Output     | Value Added (GDP)   |
|--------------------------------------|---------------------|---------------------|
| Social Security Benefit Expenditures | \$2,644,159,976,775 | \$1,577,031,308,638 |

# The Spending of Social Security Benefits Generates Tax Revenues at Every Level of Government

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**Table 4: Local, State, and Federal Tax Revenue**

|                                      | Local Tax        | State Tax        | Federal Tax       | Total Tax         |
|--------------------------------------|------------------|------------------|-------------------|-------------------|
| Social Security Benefit Expenditures | \$72,970,959,778 | \$88,429,028,788 | \$201,737,260,553 | \$363,137,249,120 |

# Social Security Benefits Support Broad Set of Industries Across U.S.

## Top Industries Supported:

- Restaurants
- Retail
- Hospitals and Doctors’ Offices

**Table 5: Top Fifteen Industries by National Employment Impact**

| Industry                               | Total # Jobs Supported |
|--|------------------------|
| Limited-service restaurants            | 594,119                |
| Full-service restaurants               | 471,029                |
| Other real estate                      | 358,726                |
| Hospitals                              | 357,590                |
| Retail - Food and beverage stores      | 308,921                |
| Retail - General merchandise stores    | 307,636                |
| Individual and family services         | 288,719                |
| Offices of physicians                  | 279,618                |
| Employment services                    | 256,312                |
| Tenant-occupied housing                | 251,573                |
| All other food and drinking places     | 236,742                |
| Personal care services                 | 197,031                |
| Couriers and messengers                | 196,795                |
| Nursing and community care facilities  | 191,811                |
| Retail - Miscellaneous store retailers | 189,617                |

# Social Security Benefits Also Support a Variety of Occupations Across Industries

## Top Occupations Supported Include:

- Retail Workers
- Restaurant Employees
- Medical Professionals

Table 6: Top Fifteen Occupation Categories by National Employment Impact

| Occupation Category   | Wage and Salary Employment | Wage and Salary Income | Supplements to Wages and Salaries | Total Employee Compensation | Hours Worked |
|---|----------------------------|------------------------|-----------------------------------|-----------------------------|--------------|
| Retail Sales Workers  | 693,630                    | \$20,403,318,682       | \$4,288,329,456                   | \$24,691,648,139            | 940,301,902  |
| Food and Beverage Serving Workers   | 686,883                    | \$16,128,568,427       | \$2,257,606,507                   | \$18,386,174,933            | 753,992,431  |
| Material Moving Workers   | 451,656                    | \$19,374,820,127       | \$3,680,375,529                   | \$23,055,195,656            | 752,586,027  |
| Home Health and Personal Care Aides; and Nursing Assistants, Orderlies, and Psychiatric Aides | 420,818                    | \$12,662,298,215       | \$2,478,155,730                   | \$15,140,453,945            | 664,663,689  |
| Healthcare Diagnosing or Treating Practitioners   | 388,746                    | \$50,729,278,158       | \$9,968,620,232                   | \$60,697,898,390            | 714,552,804  |
| Business Operations Specialists   | 347,227                    | \$35,581,930,651       | \$6,137,112,315                   | \$41,719,042,966            | 670,986,449  |
| Information and Record Clerks   | 338,583                    | \$16,544,123,589       | \$2,982,973,056                   | \$19,527,096,645            | 561,833,880  |
| Cooks and Food Preparation Workers  | 314,248                    | \$8,949,631,918        | \$1,308,708,325                   | \$10,258,340,244            | 427,452,863  |
| Motor Vehicle Operators   | 260,908                    | \$14,694,206,192       | \$3,083,166,770                   | \$17,777,372,963            | 511,880,121  |
| Top Executives  | 242,906                    | \$36,749,108,809       | \$6,464,000,570                   | \$43,213,109,379            | 520,805,367  |
| Computer Occupations  | 213,972                    | \$32,422,386,637       | \$5,263,016,296                   | \$37,685,402,933            | 422,317,667  |
| Building Cleaning and Pest Control Workers  | 225,386                    | \$7,000,453,642        | \$1,192,500,588                   | \$8,192,954,229             | 356,742,737  |
| Health Technologists and Technicians  | 199,105                    | \$11,418,401,629       | \$2,265,603,081                   | \$13,684,004,710            | 352,822,435  |
| Financial Specialists   | 186,892                    | \$24,496,657,338       | \$4,058,290,381                   | \$28,554,947,718            | 374,135,933  |
| Secretaries and Administrative Assistants   | 178,330                    | \$9,671,308,662        | \$1,727,796,316                   | \$11,399,104,977            | 314,994,928  |

# Reserve Depletion in the Social Security Trust Fund Threatens Benefit Cuts

- Social Security built up a surplus in the Old Age and Survivors Insurance (OASI) trust fund for decades, largely to cover the retirement of the Baby Boomers. Social Security has been drawing on the reserves from the OASI trust fund since 2021 to make full benefit payments.
- The latest projections from the Office of the Chief Actuary estimate that the reserves in the OASI trust fund will be depleted late in 2032. Congress could change the law and combine the OASI trust fund with the Disability Insurance (DI) trust fund and delay reserve depletion until 2034. This is what many people assume will happen.
- If Congress does not act to resolve Social Security's financing gap, then reserve depletion of the combined OASDI trust fund would result in across-the-board benefit cuts of approximately 19 percent for all current and future beneficiaries.



# A 19% Reduction in Social Security Benefits Would Reduce the Economic Impact by 16.5%

**Table 10: Economic Impact of a 19% Reduction in Social Security Benefits**

|                                      | Total Benefit Payments | Employment Impact | Labor Income Impact | Value Added (GDP) Impact | Economic Output Impact |
|--------------------------------------|------------------------|-------------------|---------------------|--------------------------|------------------------|
| Actual OASDI Benefits Paid - 2023    | \$1.4 trillion         | 12,212,475        | \$804,597,188,241   | \$1,577,031,308,638      | \$2,644,159,976,775    |
| 19% Reduction in 2023 OASDI Benefits | \$1.1 trillion         | 10,203,906        | \$672,266,207,510   | \$1,317,659,162,222      | \$2,209,278,662,189    |



# Social Security Also Has a Profound Economic Impact in Every State

Table 7: Employment and Labor Income Impacts, by State

|               | # Jobs  | Labor Income |                | # Jobs  | Labor Income |
|---------------|---------|--------------|----------------|---------|--------------|
| Alabama       | 143,501 | \$7.0 b      | Montana        | 33,434  | \$1.8 b      |
| Alaska        | 11,341  | \$697.1 m    | Nebraska       | 48,284  | \$2.6 b      |
| Arizona       | 208,504 | \$12.7 b     | Nevada         | 68,202  | \$3.9 b      |
| Arkansas      | 86,765  | \$4.2 b      | New Hampshire  | 41,245  | \$2.8 b      |
| California    | 730,036 | \$51.4 b     | New Jersey     | 220,318 | \$15.1 b     |
| Colorado      | 127,292 | \$8.2 b      | New Mexico     | 51,548  | \$2.6 b      |
| Connecticut   | 92,378  | \$6.4 b      | New York       | 440,019 | \$31.7 b     |
| Delaware      | 30,246  | \$1.7 b      | North Carolina | 298,970 | \$17.2 b     |
| DC            | 6,495   | \$539.1 m    | North Dakota   | 18130   | \$1.0 b      |
| Florida       | 74,4401 | \$41.6 b     | Ohio           | 345,928 | \$19.0 b     |
| Georgia       | 27,3120 | \$14.9 b     | Oklahoma       | 110,960 | \$5.7 b      |
| Hawaii        | 32,619  | \$1.9 b      | Oregon         | 120,452 | \$7.5 b      |
| Idaho         | 50,539  | \$2.8 b      | Pennsylvania   | 415,022 | \$25.7 b     |
| Illinois      | 320,130 | \$20.4 b     | Rhode Island   | 30,452  | \$1.8 b      |
| Indiana       | 188,467 | \$10.8 b     | South Carolina | 159,846 | \$7.9 b      |
| Iowa          | 86,667  | \$4.4 b      | South Dakota   | 25,696  | \$1.4 b      |
| Kansas        | 79,143  | \$4.4 b      | Tennessee      | 210,819 | \$13.2 b     |
| Kentucky      | 126,642 | \$6.9 b      | Texas          | 676,630 | \$39.7 b     |
| Louisiana     | 119,641 | \$5.8 b      | Utah           | 63,467  | \$3.5 b      |
| Maine         | 44,449  | \$2.5 b      | Vermont        | 19,924  | \$1.1 b      |
| Maryland      | 134,779 | \$7.9 b      | Virginia       | 201,554 | \$11.6 b     |
| Massachusetts | 165,295 | \$12.5 b     | Washington     | 156,913 | \$11.7 b     |
| Michigan      | 322,986 | \$18.6 b     | West Virginia  | 52,921  | \$2.7 b      |
| Minnesota     | 168,582 | \$10.7 b     | Wisconsin      | 181,775 | \$10.3 b     |
| Mississippi   | 80,949  | \$3.5 b      | Wyoming        | 12,653  | \$562.1 m    |
| Missouri      | 186,259 | \$10.2 b     |                |         |              |

Table 8: Total Value Added and Output Impacts, by State

|               | Value Added | Output    |                | Value Added | Output    |
|---------------|-------------|-----------|----------------|-------------|-----------|
| Alabama       | \$14.9 b    | \$24.8 b  | Montana        | \$3.4 b     | \$5.7 b   |
| Alaska        | \$1.4 b     | \$2.1 b   | Nebraska       | \$5.5 b     | \$8.8 b   |
| Arizona       | \$25.7 b    | \$41.1 b  | Nevada         | \$8.5 b     | \$13.1 b  |
| Arkansas      | \$9.0 b     | \$15.1 b  | New Hampshire  | \$5.4 b     | \$8.2 b   |
| California    | \$105.5 b   | \$159.9 b | New Jersey     | \$29.6 b    | \$44.7 b  |
| Colorado      | \$16.4 b    | \$25.9 b  | New Mexico     | \$5.5 b     | \$9.1 b   |
| Connecticut   | \$13.0 b    | \$19.1 b  | New York       | \$65.4 b    | \$94.0 b  |
| Delaware      | \$3.7 b     | \$5.6 b   | North Carolina | \$34.6 b    | \$56.0 b  |
| DC            | \$1.1 b     | \$1.5 b   | North Dakota   | \$1.9 b     | \$3.2 b   |
| Florida       | \$85.8 b    | \$140.1 b | Ohio           | \$39.0 b    | \$62.8 b  |
| Georgia       | \$31.6 b    | \$50.4 b  | Oklahoma       | \$11.7 b    | \$20.1 b  |
| Hawaii        | \$4.2 b     | \$6.5 b   | Oregon         | \$14.3 b    | \$22.4 b  |
| Idaho         | \$5.6 b     | \$9.2 b   | Pennsylvania   | \$48.8 b    | \$77.2 b  |
| Illinois      | \$40.0 b    | \$62.6 b  | Rhode Island   | \$3.7 b     | \$5.7 b   |
| Indiana       | \$20.7 b    | \$33.5 b  | South Carolina | \$17.2 b    | \$27.9 b  |
| Iowa          | \$9.2 b     | \$14.9 b  | South Dakota   | \$2.7 b     | \$4.4 b   |
| Kansas        | \$8.8 b     | \$14.7 b  | Tennessee      | \$25.1 b    | \$40.2 b  |
| Kentucky      | \$13.4 b    | \$22.3 b  | Texas          | \$80.0 b    | \$132.0 b |
| Louisiana     | \$12.2 b    | \$20.3 b  | Utah           | \$7.7 b     | \$12.5 b  |
| Maine         | \$5.2 b     | \$8.2 b   | Vermont        | \$2.3 b     | \$3.6 b   |
| Maryland      | \$16.8 b    | \$25.7 b  | Virginia       | \$25.0 b    | \$38.4 b  |
| Massachusetts | \$23.6 b    | \$35.1 b  | Washington     | \$25.4 b    | \$37.6 b  |
| Michigan      | \$35.9 b    | \$58.8 b  | West Virginia  | \$5.5 b     | \$8.9 b   |
| Minnesota     | \$20.4 b    | \$32.6 b  | Wisconsin      | \$20.6 b    | \$33.3 b  |
| Mississippi   | \$7.8 b     | \$13.5 b  | Wyoming        | \$1.3 b     | \$2.2 b   |
| Missouri      | \$20.2 b    | \$33.3 b  |                |             |           |

# State Fact Sheets Detail the Economic Impact of Social Security in Each State

INDIANA

Key Findings

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

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...

188,467 jobs that paid \$10.8 billion in wages and salaries


\$33.5 billion in total economic output

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

... in the state of Indiana.

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

Quantifying the Economic Impact of Social Security Benefit Spending



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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 Indiana communities and the state economy. In 2023, 1,421,661 residents of Indiana received a total of \$30.2 billion in Social Security benefits.

The median Social Security retirement benefit received in Indiana was \$1,953 per month. The median Social Security disability benefit received was \$1,419 per month. These modest benefits provide retirees, surviving spouses, children, and Americans with disabilities income to meet basic needs.

| Indiana                       | Total OASDI Beneficiaries | Total Retirement Beneficiaries | Total Survivor Beneficiaries | Total Disability Beneficiaries |
|-------------------------------|---------------------------|--------------------------------|------------------------------|--------------------------------|
| Number of Beneficiaries       | 1,421,661                 | 1,081,913                      | 132,169                      | 207,579                        |
| Total Benefit Payments        | \$30.2 billion            | \$22.9 billion                 | \$3.6 billion                | \$3.7 billion                  |
| Median Monthly Benefit Amount |                           | \$1,953                        |                              | \$1,419                        |

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 Indiana. 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 188,467 jobs in the state. The total income to state residents supported by Social Security expenditures was \$10.8 billion.

To put these employment impacts in perspective, in 2023 Indiana's unemployment rate was 3.4%. The fact that Social Security benefit expenditures supported 188,467 jobs is significant, as it represents 5.8 percentage points in Indiana's labor force.

Economic Impact

Social Security paid a total of \$30.2 billion in benefits to Indiana residents in 2023. Expenditures from these benefits supported a total of \$33.5 billion in total economic output in the state, and \$20.7 billion in value added in the state.

Totals may not add up due to rounding. For data and methodology, see Bond, T. and Dossan, D., 2025. *Quantifying the Economic Impact of Social Security Benefit Spending*. National Institute on Retirement Security, Washington, DC. [nirresearch.org](#)

Quantifying the Economic Impact of Social Security Benefit Spending

INDIANA

Impact on Tax Revenues

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

|       | Federal Tax   | State/Local Tax |
|-------|---------------|-----------------|
|       | \$2.5 billion | \$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 Indiana. The ten industry sectors with the largest employment impacts are presented in the table to the side.

| Industry                               | Employment Impact (# Jobs) |
|--|----------------------------|
| Limited-service restaurants            | 12,562                     |
| Full-service restaurants               | 9,804                      |
| Hospitals                              | 9,112                      |
| Retail - General merchandise stores    | 7,656                      |
| Offices of physicians                  | 5,764                      |
| Nursing and community care facilities  | 5,035                      |
| Retail - Food and beverage stores      | 4,854                      |
| All other food and drinking places     | 4,578                      |
| Individual and family services         | 4,374                      |
| Retail - Miscellaneous store retailers | 4,359                      |

Economic Impacts by Occupation Category

Social Security benefits in Indiana 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  | 14,362                     | \$362,330,459          | \$75,919,627                      | \$438,250,086         | 19,523,480   |
| Food and Beverage Serving Workers   | 14,036                     | \$267,237,348          | \$36,999,048                      | \$304,236,396         | 15,308,155   |
| Healthcare Diagnosing or Treating Practitioners   | 8,814                      | \$1,068,656,819        | \$21,249,391                      | \$1,279,906,210       | 16,245,353   |
| Home Health and Personal Care Aides, and Nursing Assistants, Orderlies, and Psychiatric Aides | 7,920                      | \$238,574,499          | \$47,638,318                      | \$286,212,817         | 12,618,192   |
| Material Moving Workers   | 6,619                      | \$239,921,800          | \$44,705,424                      | \$284,627,224         | 10,802,866   |

# State Fact Sheets Provide Information on Social Security in Each State

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| Indiana                       | Total OASDI Beneficiaries | Total Retirement Beneficiaries | Total Survivor Beneficiaries | Total Disability Beneficiaries |
|-------------------------------|---------------------------|--------------------------------|------------------------------|--------------------------------|
| Number of Beneficiaries       | 1,421,661                 | 1,081,913                      | 132,169                      | 207,579                        |
| Total Benefit Payments        | \$30.2 billion            | \$22.9 billion                 | \$3.6 billion                | \$3.7 billion                  |
| Median Monthly Benefit Amount |                           | \$1,953                        |                              | \$1,419                        |

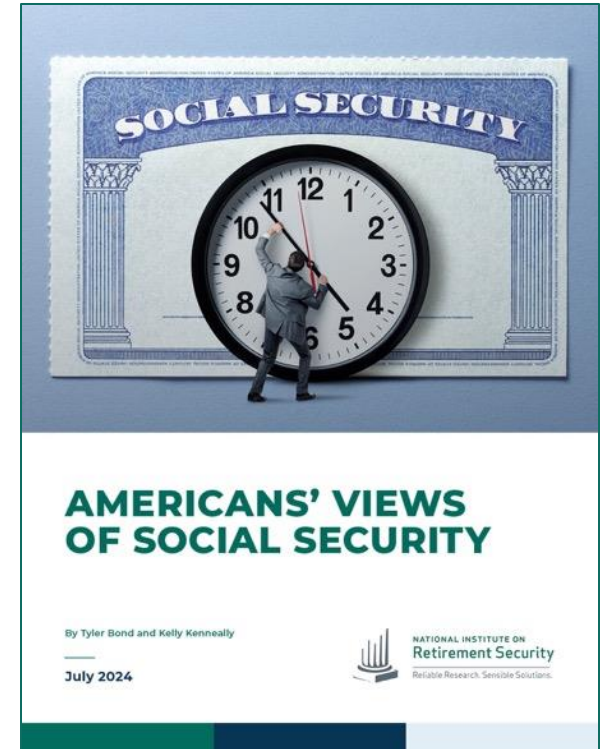
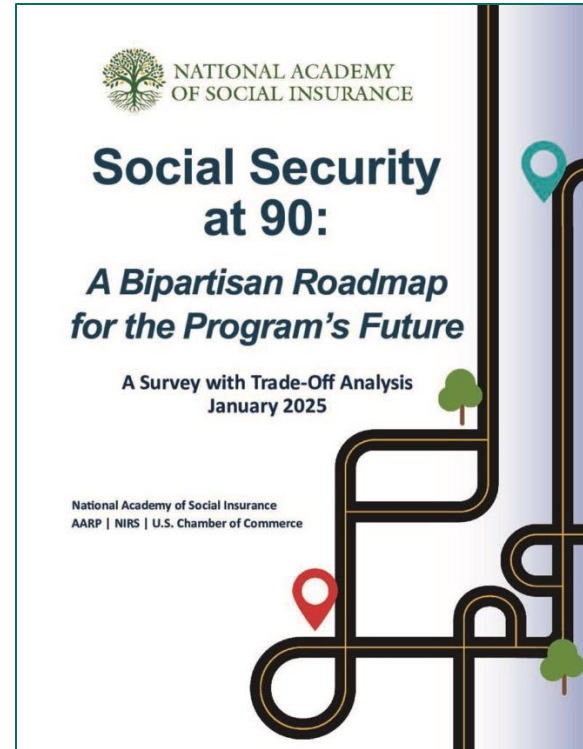
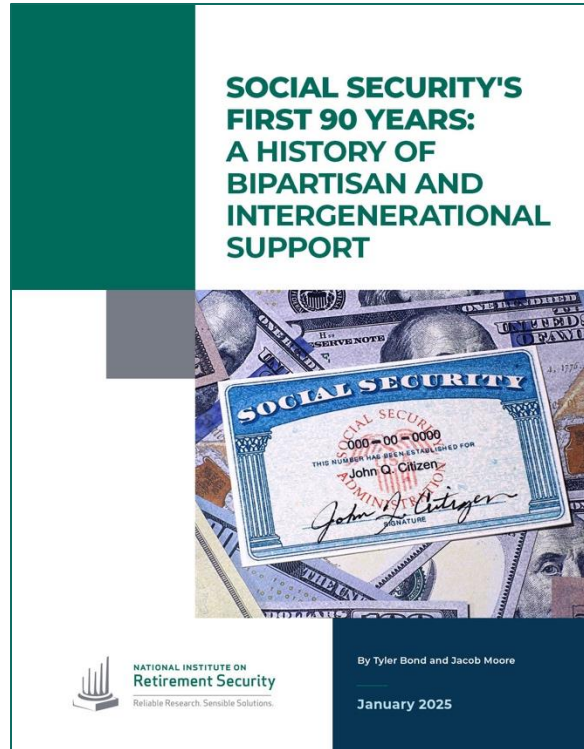
*Median benefit amounts for some beneficiaries are based upon data provided by the Social Security Administration (SSA). No such data is provided for other categories of beneficiaries.*

# The Size of State Economies Plays a Role in the Impact of Social Security Benefits

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- California experienced the largest economic impacts from the spending of Social Security benefits, but this should be expected because California has the largest state economy in the nation. Social Security benefit spending supported nearly \$160 billion in economic output in California in 2023.
- Social Security benefit payments also are important in the economies of smaller states. In Florida, Michigan, and West Virginia, the number of jobs supported by the spending of Social Security benefits represented more than seven percent of that state's workforce.
- The state fact sheets detail the industries and occupations most impacted by the spending of Social Security benefits in each state. These are largely similar to the national findings: restaurants, retail, and healthcare providers.

# Additional Social Security Research from NIRS



[www.nirsonline.org/research-analysis](http://www.nirsonline.org/research-analysis)

# Questions?

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