

Social Security and Florida

Jim Palmieri, Senior Policy Advisor
AARP Public Policy Institute
jpalmieri@aarp.org

FPPTA presentation – February 3, 2026



Disclaimer

The views I express are mine and not necessarily those of AARP.

OVERVIEW

Social Security brief history

- Social Security Act passed in 1935, monthly payments began in 1940
- Started with retirement and survivor benefits -- disability benefits added in 1957
- Social Security is two programs – OASI and DI
- Currently, close to 70 million Social Security beneficiaries
 - Three-fourths are retired workers
 - **1960:** 1/3 of female beneficiaries were spousal-only;
Today: 16% are spousal-only
 - 6 million survivors
 - Over 8 million disabled beneficiaries

OVERVIEW - FINANCING

Overall Structure

Pay-as-you-go system

- 184 million workers contributed in 2025
- 12.4% tax on earnings up to \$184,500 (taxable maximum)
- 95% of all workers pay these taxes
- Excess revenues go into trust funds (currently \$2.7 trillion)
- Reserves started declining in 2021, depletion of combined reserves in 2034

OVERVIEW

What Makes Social Security Unique & Valuable?

- Near universal coverage
- Earned benefits based on what is paid in
- Lifetime benefits
- Inflation-adjusted benefits
- Guaranteed benefits free from market volatility
- Progressive benefit formula
- Spousal, Survivor, and Disability benefits
- 90+ year track record of success

SOCIAL SECURITY IN FLORIDA

67 counties from Alachua to Washington

Several factors stand out:

- 22.1% of Floridians receive OASDI (U.S. average: 19.7%)
- Tied for 16th with Oregon and Missouri
- **Fun fact I:** West Virginia is #1 at 27.1%
- **Fun fact II:** California, Colorado, Alaska, Texas and Utah are the lowest 5 (under 17%)
- Within any given state, rates vary substantially
- Let's look at Florida ...



MAP OF FLORIDA COUNTIES

Beneficiaries as a percent of residents, by county

Sumter County for the win!!!

56.2%

12 counties are 30% and above (**yellow**)

The 5 **lowest** counties (**blue**)

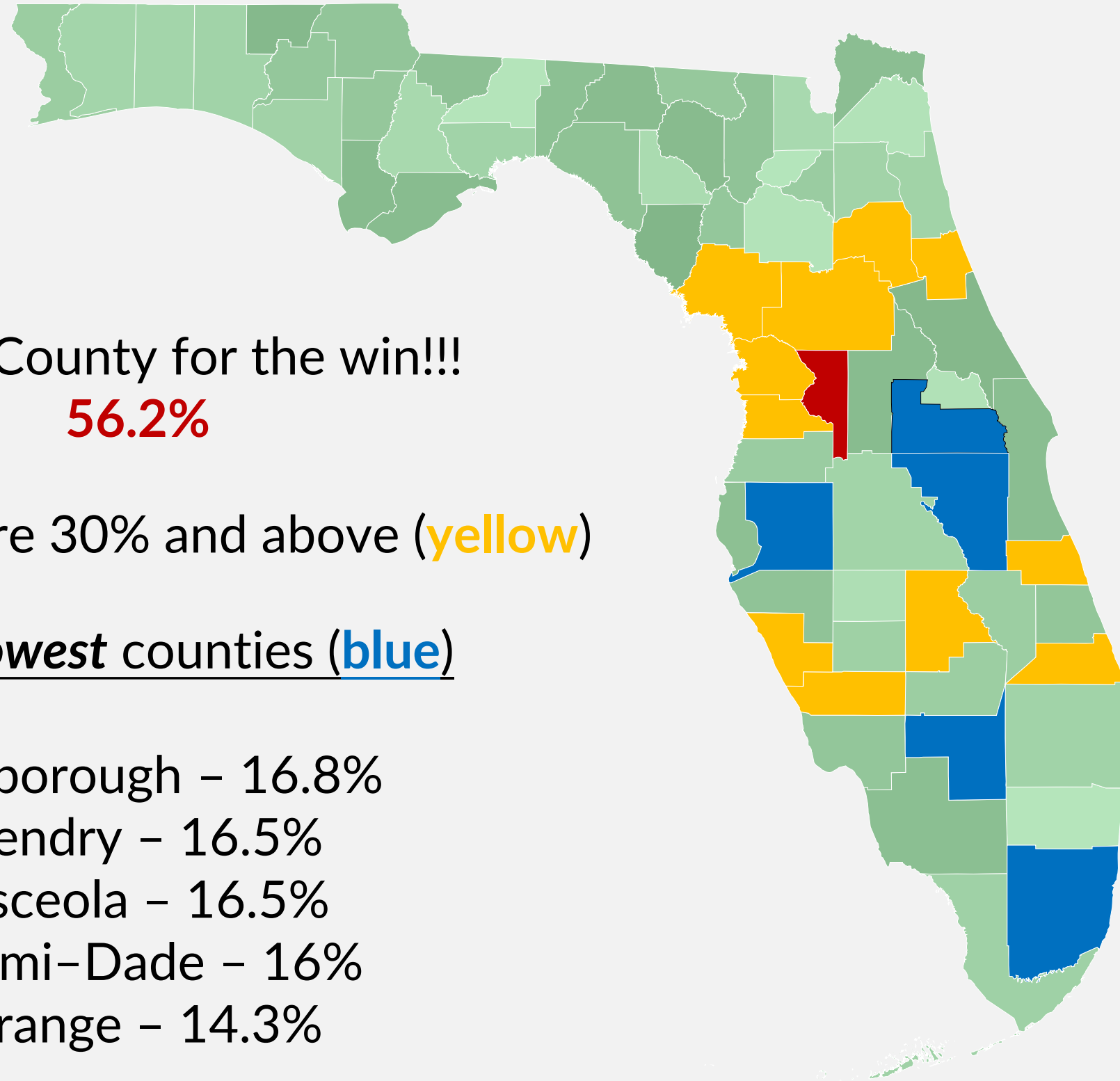
Hillsborough – 16.8%

Hendry – 16.5%

Osceola – 16.5%

Miami-Dade – 16%

Orange – 14.3%



WHAT IF THERE WERE A 19% REDUCTION IN BENEFITS NOW?

► Benefits fall by \$21.7 billion in the state; \$3.7 billion in counties above 30%◀

County	Decline in annual benefits (\$)	Decline as a % of annual county wages	% decline in county wages in Q2 2020	% decline in county wages in Great Recession
Charlotte	362,659,080	12.0%	8.0%	10.1%
Citrus	285,604,200	16.8%	8.0%	8.3%
Flagler	207,254,280	14.6%	2.0%	5.8%
Hernando	272,206,920	10.6%	2.9%	3.5%
Highlands	154,098,360	11.2%	2.0%	0.1%
Indian River	285,123,120	8.5%	9.6%	22.5%
Levy	55,782,480	14.0%	(1.6%)	9.8%
Marion	564,274,920	9.0%	1.2%	10.8%
Martin	243,934,920	5.4%	5.7%	13.1%
Putnam	87,834,720	9.8%	0.8%	2.4%
Sarasota	761,729,760	6.2%	12.3%	16.6%
Sumter	422,661,840	18.1%	3.2%	21.3%
County average reduction		11.4%	4.5%	10.4%

IMPORTANT FOR CONGRESS TO ACT

The clock is ticking ...

Remember, trust fund depletion in 2034

- ➡ Many options to raise revenues and/or reduce expenditures
- ➡ Two time frames: short-range and long-range
- ➡ Social Security is more than just retired worker benefits
- ➡ Intergenerational impacts
- ➡ Need to keep adequacy impacts in mind
- ➡ Gradual phase-ins are usually better
- ➡ Are there ways to improve the program?

Thanks for your time!

