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On the Impact of Raising the Full Retirement Age in the Social Security Program

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The issue of reducing Social Security deficit in the United States, in the near future has been of great interest and generated numerous debates among academics, practitioners, and politicians alike. In this report, we investigate the extent of increasing the Social Security full retirement age in order to reduce the program's funding deficit. In particular, we analyze the feasibility of the proposal and address social and financial implications of the full retirement age increase. Overall, given the feasibility and the substantial financial savings of the proposal, we support raising the Social Security full retirement age from 67 to 70. By increasing the full retirement age to 70, our estimations of the total savings range between $1.3 trillion and $2 trillion with in thirty years, representing significant reduction in the Social Security funding deficit.