SOCIAL SECURITY LIFELONG LEARNING BENEFITS

Debra Whitman, EVP/Chief Public Policy Officer, AARP
Marc Freedman, Founder & CEO, Encore.org
Jim Emerman, Executive Vice President, Encore.org

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CHART 8. Percent Change in Average Per Capita Net Cash Income among Individuals Age 62 and Older in Selected Years by Age - No Delay Option

CHART 9. Distribution of OASI Claiming Age under Baseline and Option: People Who Receive Training under the Option, Born 1980 to 1989 Surviving to Social Security Claiming (Excludes DI Beneficiaries and Ages Survivors Who Claim before EEA)

CHART 10. Poverty Rate among Individuals Age 62 and Older in Selected Years by Option - Delay Option

CHART 11. Poverty Rate among Individuals Age 62 and Older in Selected Years by Option - No Delay Option
INTRODUCTION

Social Security plays a key role in protecting Americans against financial risk. While the program has evolved over the last 80 years, it has always served as a backstop for Americans against a variety of dangers. Today’s risks differ from those faced by Americans in 1935, and it is against this backdrop that we propose adding a new element to the Social Security program aimed at combatting the risks that come with increased longevity and structural changes in the economy. Our innovation would allow eligible individuals to receive Social Security benefits during their working years to cover living expenses while returning to school to learn new skills to stay competitive in a rapidly changing economy.

Using the Urban Institute’s Dynamic Simulation of Income Model (DYNASIM), we found that this proposal would have no significant impact on Social Security Trust Fund solvency while at the same time would improve average income for individuals 62 and over in the economy.

We propose adding a new element to the Social Security program aimed at combatting the risks that come with increased longevity and structural changes in the economy.
SOCIAL SECURITY’S HISTORY

When President Franklin D. Roosevelt signed the Social Security Act into law on August 14, 1935, he explained it would give retirement benefits to workers as a way to protect against the “loss of a job and against poverty-ridden old age.” Roosevelt knew no law could “insure 100 percent of the population against 100 percent of the hazards and vicissitudes of life,” but he also recognized the key role social insurance should play in the coming decades.

Responding to a range of evolving needs, other benefits have been incorporated into Social Security over time. Just four years after Social Security was established, Congress recognized the household risk of a worker’s possible death in an era of single-earner families, expanding Social Security to include survivor benefits for spouses and dependent children. In the 1950s, new benefits were included to protect against additional risks – inflation and disability – by adding cost-of-living adjustments and the disability insurance system and trust fund.

Incidentally, education and training benefits would not be entirely new to Social Security. For a time Social Security provided benefits to college students. Between 1965 and 1983, unmarried dependent children of deceased, disabled or retired workers could obtain student benefits if enrolled in high school, two- or four-year colleges, vocational or technical training programs, graduate school or professional school. In 1981, Congress ended payments for students first entering college; today dependent children can only receive benefits until their 19th birthday and only if they are still enrolled in elementary or secondary school.

1 Cost-of-living adjustments were automatically added to benefits in 1972.
3 Id.
NEW RISKS INCREASING LONGEVITY AND STRUCTURAL CHANGE TO THE ECONOMY

Today’s workforce is markedly different than the one that existed when the Social Security system was created and is poised to change even more dramatically in the decades to come. Americans are living longer, and the number of years one can expect to work in a lifetime is increasing, and rapid structural changes in the economy coupled with technological innovation and overseas competition will necessitate that workers enhance their human capital skills over a longer work career.

Living longer, meanwhile, places added importance on saving during working years. Life expectancy from birth has increased by roughly 16 years since 1940. A person who reaches 65 today is now expected to live an additional 20 years, an increase of about six years on average from when Social Security was created. However, these gains are not shared universally, with life expectancy growing much more slowly—or even, recently, declining—for those with low earnings, low education, or some minorities.

With such dynamics and others at play, many older adults are working later into life, and that trend is likely to continue. According to the Bureau of Labor Statistics (BLS), the number of people 65 and older who are employed in some capacity has more than doubled since 2005. Working lives are likely to continue rising, particularly with the Social Security Administration’s (SSA) full retirement age scheduled to increase to 67 and a growing number of individuals projected to be disability-free in their later years.

Some people work longer because they want to, others because they need to. Only 18 percent of Americans are very confident they will have enough money for

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a comfortable retirement. Most, instead, believe they will need to continue working through their 60s and even their 70s. According to the Employee Benefit Research Institute’s Retirement Confidence Survey, nearly four in 10 workers believe they will work beyond 70. Regardless of reason for working, however, the problem is that not all jobs are conducive to a long career. Currently, 45 percent of workers aged 58 and over work in physically demanding jobs or jobs with difficult working conditions. That type of work may not be sustainable for people working into their 60s or 70s.

Thus, for multiple reasons ranging from physical limitations to changing technology and an evolving economy, it is not realistic to expect that workers will continue to do the same jobs or even work in the same industry throughout a 40- to 50-year career. Only 12 percent of companies on the Fortune 500 list in 1955 remained there in 2014; the rest have gone bankrupt, merged, or fallen behind. Further, automation is reducing the need for certain types of workers and increasing the need for individuals with higher skills. According to the December 2017 McKinsey Global Institute Report, anywhere from 16 million to 54 million workers in the United States will have to change occupations due to automation by 2030.

The impact could be most significant for those in low-wage jobs; the U.S. Council of Economic Advisers forecasts that 83 percent of jobs paying under $20 an hour could become automated. Yet the effects of automation are not limited to traditionally blue collar jobs. Advances in computer technology and artificial intelligence are also expected to impact highly skilled white collar workers, with many of the functions performed by such professionals as accountants, journalists and paralegals expected to be automated. Already today this is happening in the most high-skilled areas; in medicine, for example, robots are performing surgical procedures and reading CT scans. With such a fluid job market, it will be vitally important for workers to adapt to changes quickly through reskilling throughout their working lives.

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to take advantage of new employment opportunities automation creates.\textsuperscript{14}

Many of the jobs available in the years ahead will require greater skills and at least some level of post-secondary education. The BLS forecasts that approximately 9 out of 10 new jobs added in the coming decade will be in the service sector, with nearly 4.0 million jobs projected to be added in health care and social assistance (areas that typically require specific skills) by 2026. While the growth in these types of occupations represents significant new opportunities for the increasing number of workers ages 55 and older (expected to reach nearly a quarter of the workforce by 2026), workers will need to obtain the required technical skills, certifications, and education in order to take advantage of these opportunities.\textsuperscript{15}

Recent research by Encore.org, an organization that focuses on engaging people in later life, finds that millions of older adults are interested in extending their paid work in areas of high societal impact, such as education, healthcare, social services or nonprofit work, many of which require retraining.\textsuperscript{16} Often, the educational requirements in many of these areas can be completed in two years or less and are already offered in flexible learning environments. Yet many older workers cannot afford retraining and cite help with educational costs as one of their top needs,\textsuperscript{17} particularly given the well-documented inadequate savings that most Americans have by mid-career.\textsuperscript{18,19}


\textsuperscript{15} https://www.bls.gov/news.release/ecopro.nr0.htm.


\textsuperscript{18} https://www.nirsonline.org/reports/the-retirement-savings-crisis-is-it-worse-than-we-think/.

\textsuperscript{19} https://www.aarp.org/content/dam/aarp/ppi/2017/01/Liquid-Savings-of-Working-Households.pdf.
THE BENEFITS OF EDUCATION AND TRAINING

Higher pay is often cited as a reason for upskilling and retraining, but the benefits go well beyond that. Currently, 45 percent of workers age 58 and over work in physically demanding jobs or jobs with difficult working conditions.\(^\text{20}\) Upskilling and retraining make it easier for such workers to transition to less physically demanding jobs in growth industries such as technology, health care, financial advising, and bookkeeping or to move into jobs that have more flexible hours. These more pleasant work conditions may allow individuals to work longer and delay claiming Social Security retirement benefits.

Our proposal is timely considering individuals 55 and older are having more difficulty than any other age group finding employment after a layoff.\(^\text{21}\) Individuals with higher education, in fact, have lower rates and shorter spells of unemployment.

OTHER RETRAINING PROGRAMS

Many government programs currently help with education and job retraining; however, none of them are universally available. One of the earliest and most popular programs is the education benefit provided to veterans through the Servicemen’s Readjustment Act of 1944, also known as the GI Bill. The GI Bill has allowed millions of veterans to further their education and training; in fact, at its peak in 1947, veterans made up 49 percent of all college admissions.\(^\text{22}\) Although the GI Bill has been updated over the years, it continues to offer support for veterans to acquire more education and training after their military service.\(^\text{23}\)


\(^{21}\) Long-term unemployment is occurring among people of all ages. While workers 55 or older are less likely to become unemployed, those who do are more likely to stay unemployed for a long period of time. Nearly 30 percent of unemployed people 55 or older have been jobless for a year or longer—a higher rate than any other age group. http://www.pewtrusts.org/uploadedFiles/wwwpewtrustsorg/Reports/Economic_Mobility/PEW-Unemployment%20Final.pdf.

\(^{22}\) http://www.benefits.va.gov/gibill/history.asp.

\(^{23}\) https://www.va.gov/opa/issues/post_911_gibill.asp.
Other job training programs administered by the federal government as well as some states help special classes of workers. The Adult and Dislocated Worker Program, formed under Title I of the Workforce Investment Act of 1998 (superseded by the Workforce Innovation and Opportunity Act of 2014), provides employment and training services to eligible individuals, with preference given to dislocated workers and recipients of public assistance as well as other low-income individuals. Another important program, the Trade Adjustment Assistance for Workers Act (TAA), provides resources and training as well as income support for some categories of trade-affected workers equal to unemployment compensation for a year after unemployment compensation expires to workers in firms hurt by foreign trade. An extensive list of job training programs can be found on the Department of Labor’s website.24

Looking more broadly, federal government-level coordination of worker access to job retraining and reskilling is not unique to the United States. France, where it is recognized that improving skills within a flexible system boosts economic growth and job creation, already has two such programs in place. The Compte Personnel de Formation (CPF) provides job training credits to workers based on their time spent in employment and working time during the year. Started in 2015, the program is already very popular, utilized by approximately 4.2 million French workers. Because the credits are capped at 150 hours, the CPF is especially popular for workers wanting to complete short-term training opportunities like certificates and skill qualifications. The credits are individual specific, meaning they can be used when a worker changes employers or is unemployed.

Complementing the CPF is France’s Congé Individuel de Formation (CIF), a longer-term training leave program that workers can use to upskill or even reskill to a different kind of employment. CIF allows up to one year of full-time training during which the worker receives between 80 and 100 percent of regular salary. In 2014, 34,000 individuals were accepted into the CIF program. On average, CIF participants spent 750 hours in training. Seventy-four percent of CIF participants are between the ages of 25 and 44. In 2009, 17 percent of CIF participants were 45 or older.25

Increasingly, people either want or need to continue working later into life. For a growing number of workers, their ability to stay in one industry or apply one type of skill learned in their youth over their entire lifetime is diminishing. In order to remain engaged in an increasingly competitive and rapidly changing labor market, these workers can benefit from upskilling, reskilling or even transitioning to a new sector or occupation all together. However, many working adults cannot afford to pay both tuition and their own living expenses while they are studying. In this section, we describe an innovative way for workers to invest in their human capital and receive some income support by adding a new benefit to the current Social Security structure. Our proposal – Social Security Lifelong Learning Benefits (SSLLB) – would allow covered workers to receive payments from Social Security for up to two years while they go to school. This income could be used for living expenses or tuition and could help prevent workers from taking on too much student loan debt.

The SSLLB would be targeted to mid-career workers who are going to school full-time. Teenagers, workers at the beginning of their careers or individuals above Social Security’s early eligibility age of 62 would be ineligible to use this program. Similar to the requirements for the Social Security Disability Insurance (SSDI) program, benefits could not be claimed before a worker had contributed to the Social Security trust fund for at least 40 quarters, which typically equates to 10 years of work.

The actual amount of the benefit would be calculated using the same formula that is used for SSDI benefits. Under this formula, replacement rates vary by income so that low-income workers would receive a greater share of past earnings than higher-paid workers. Like other Social Security payments, the benefits would be modest. For comparison, the average new benefit for an SSDI disabled worker recipient in 2017 was roughly $14,000 per year.

To simplify the program, the benefit is targeted to full-time students and not as a supplement to earnings for individuals going to school part-time. Workers who are eligible could apply with SSA to obtain lifelong learning benefits for the number of months they are enrolled in an accredited program. A person obtaining lifelong learning benefits would be subject to the SSDI earnings test, meaning benefits would be suspended if he or she earned more than the threshold.

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26 These limitations could be changed; however, they would increase the cost and complexity of administering the program.
27 In 2010 a worker earned one credit for each $1,120 in covered earnings, up to a maximum of four credits for the year (based on annual earnings of $4,450 or more).
monthly amount, which in 2018 for non-blind individuals is $1,180. The application of the retirement earnings test ensures that only very limited part-time work could be done concurrent to obtaining education.

Taking the SSLLB would not impact other program benefits. Individuals who took Lifelong Learning Benefits and later qualified for disability benefits would be held harmless so that the reduction in years of earnings would not count against their benefits. Taking SSLLB benefits would also not impact spousal benefits.

To lower administrative costs, SSA could leverage current Department of Veterans Affairs (VA) capacity to verify certifiable educational activities under the post-9/11 GI Bill. Because of the two-year limit on benefits, this proposal would be aimed toward students seeking vocational training or attending community college, although they could still obtain Lifelong Learning Benefits while attending colleges and universities. Lifelong Learning Benefits would be limited to two years over the course of one’s career, although they could be taken in parts to more easily allow for short-term, flexible training curricula that provide certificate or degrees upon completion.

On the topic of program eligibility, an extensive amount of empirical literature has been developed that examines what works best in job training. A 2014 Department of Labor study summarizes this vast research quite well, and training program eligibility could take into account such information. Generally, current research reveals that training has the greatest impact on subsequent earnings when it includes such features as being closely linked to actual jobs and occupations, is a longer-term (one year-plus) certificate program rather than a brief one, and offers flexibility (e.g., scheduling, etc.).

We have proposed two options to pay for this proposal. Under the first option, individuals who claim the SSLLB would have no change in their future Social Security benefits (the No Delay Option). Under the second (Delay Option), workers who claim Lifelong Learning Benefits would essentially pay back their time receiving benefits when they retire; that is, their early eligibility age (EEA) and full retirement age (FRA) would be adjusted upward by the number of months they received the benefit. For example, a worker born in 1960 or later who took the benefit for the full two years would thus have an EEA of 64 instead of 62 and a FRA of 69 instead of 67.

The application of the retirement earnings test ensures that only very limited part-time work could be done concurrent to obtaining education.

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29 The program could limit the educational institutions that would be eligible, for example, by restricting access at schools which cannot show evidence of student achievement.

We expect most workers who take advantage of our proposal would benefit. In general, people who have higher education have higher earnings and lower rates of unemployment. Taking the SSLLB would likely have a positive benefit on the lifetime income for most individuals as both their working wages, and later their Social Security benefits would be larger when they retire. However, under the Delay Option, some individuals who took the SSLLB could be worse off than if they had not taken the benefit. If a worker wasn’t able to increase her earnings after training or simply could not work longer than her adjusted retirement age for any reason, her monthly Social Security benefits would be lower. Thus, a person who takes two years of the education benefit would only be eligible for Social Security retirement benefits at age 64; however, a person with the same work record who did not participate in the education benefit and claimed benefits at 64 would have a monthly Social Security check that is 10 percent higher. Additionally, students using the benefit may incur debt to help pay for their education and living expenses beyond what the SSLLB provides, which could impact future personal financial activities ranging from buying a home to saving for retirement.

HISTORICAL USE OF MID-CAREER EDUCATION

To estimate the share of workers that would use the SSLLB, the Urban Institute examined how many workers historically have left the labor force to enroll in school, using data from the Panel Study of Income Dynamics (PSID). Between 1994 and 2013, only a small fraction (0.9 percent) of workers age 30 to 64 ever enrolled in school. The majority of those who were enrolled in school were in their 30s (53 percent), with participation steadily diminishing with age (Table 1). Women were almost twice as likely as men to enroll in school during this period. Our proposal’s limit on the length of benefits is consistent with how workers traditionally have used mid-career retraining. For those that did go to school over the period studied, more than four in five received two years or less of additional education. The PSID also showed that most workers who undertook mid-career education had higher earnings growth in the first four years after school than those that did not. However, some age categories had slower earnings growth than those without out retraining.

31 However, for the up to two years that the worker is largely separated from the workforce, it is possible the low to no earnings from those years, depending on how long the worker is in the workforce altogether, could adversely affect the 35 years with the highest earnings formula used to calculate the average indexed monthly earnings (AIME).

32 The PSID also collects information about school enrollment and employment status, although it does not distinguish between full-time and part-time enrollment in school. PSID data are reported biannually, so it is difficult to discern the exact length of time a person has spent obtaining additional education.
### TABLE 1. Number and Share of Individuals Ages 30 to 64 Ever Enrolled in School from 1994 to 2013 by Selected Characteristics

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Never Enrolled</th>
<th>Enrolled</th>
<th>All</th>
<th>Share Enrolled</th>
<th>Column Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Never Enrolled</td>
</tr>
<tr>
<td>All</td>
<td>2,750,442</td>
<td>25,694</td>
<td>2,776,135</td>
<td>0.9%</td>
<td>100%</td>
</tr>
<tr>
<td>30–34</td>
<td>371,438</td>
<td>8,265</td>
<td>379,703</td>
<td>2.2%</td>
<td>14%</td>
</tr>
<tr>
<td>35–39</td>
<td>387,310</td>
<td>5,349</td>
<td>392,659</td>
<td>1.4%</td>
<td>14%</td>
</tr>
<tr>
<td>40–44</td>
<td>422,543</td>
<td>3,892</td>
<td>426,435</td>
<td>0.9%</td>
<td>15%</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>14%</td>
</tr>
<tr>
<td>45–49</td>
<td>443,605</td>
<td>3,029</td>
<td>446,633</td>
<td>0.7%</td>
<td>16%</td>
</tr>
<tr>
<td>50–54</td>
<td>437,466</td>
<td>2,739</td>
<td>440,205</td>
<td>0.6%</td>
<td>16%</td>
</tr>
<tr>
<td>55–59</td>
<td>383,187</td>
<td>1,924</td>
<td>385,110</td>
<td>0.5%</td>
<td>14%</td>
</tr>
<tr>
<td>60–64</td>
<td>304,893</td>
<td>497</td>
<td>305,390</td>
<td>0.2%</td>
<td>11%</td>
</tr>
<tr>
<td>Sex</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>48%</td>
</tr>
<tr>
<td>Male</td>
<td>1,306,710</td>
<td>8,868</td>
<td>1,315,577</td>
<td>0.7%</td>
<td>14%</td>
</tr>
<tr>
<td>Female</td>
<td>1,443,732</td>
<td>16,826</td>
<td>1,460,558</td>
<td>1.2%</td>
<td>52%</td>
</tr>
</tbody>
</table>

Source: Urban Institute analysis of data from the Panel Study of Income Dynamics
SSLLB IMPACT ON SOCIAL SECURITY SOLVENCY

Using these historical trends to predict the future, Urban Institute analysts projected the impacts of the SSLLB proposal using the Dynamic Simulation of Income Model, or DYNASIM. The institute’s widely respected model projects the size and characteristics of the US population for the next 75 years. Using the model, we examined the impact of the SSLLB both on Social Security solvency and the adequacy of individual’s income and benefits as if the program were implemented in 2019.

The DYNASIM model estimates that both options would very slightly improve solvency over the long-term. The Delay Option is designed to be revenue neutral and marginally reduces the long term actuarial deficit in 2089 from 2.81 percent of taxable payroll to 2.75 of taxable payroll. Even with no offsetting delay in benefit receipts for those who take the SSLLB, the No Delay Option also reduces the actuarial deficit in 2089 from 2.81 percent of taxable payroll to 2.78 percent of taxable payroll. See charts 1 and 2.

**CHART 1. Trust Fund Ratio Under Delay Option**

- Option: Whitman adult education benefits. Pay for training with increase in ERA and FRA.
- Current Law

Source: Urban Institute analysis of SSLLB proposal using DYNASIM
There are several explanations for why the model estimated negligible but positive impacts on Social Security solvency of these proposals. The size of the impact is minimal because the model assumes the current small share of workers (0.9%) who have historically gone to school mid-career will continue. Projecting this rate forward, DYNASIM estimates that fewer than a half million Americans would use the education benefit in its first year of 2019 and increase to only 700,000 annual participants in 2087. These projections assume no behavioral change once the program is available, because of how difficult it would be to anticipate how many people would return to school if they received this benefit. The impact on solvency is positive for both options as additional education is projected to increase worker productivity and boost post-training wages, thereby increasing the amount of Social Security taxes workers pay into the system. Solvency is improved more in the Delay Option because the number of years of benefits over a lifetime remain roughly constant and benefit amounts during the education period would likely be lower than the benefits an individual would have received during his retirement years.
ADEQUACY & POPULATIONS HELPED

Ultimately, our key idea is to help workers enhance their own income and productivity by helping them to afford to reskill and remain engaged in the workforce. This proposal also has a positive impact on the overall economy. Under our proposal, the net increase of rising productivity is estimated to increase average per capita net cash income economy-wide by 1.2 percent in 2019, increasing to 1.6 percent over current scheduled law in 2087.

Per capita net cash income for those 62 and over is positively impacted by our proposal regardless of marital status, with the greatest effects occurring for those never married. The positive effects on per capita net cash income are generally greater under the No Delay Option, reflecting the idea that those claiming at age 62 with a lower NRA would see a larger benefit than those claiming at age 62 with an NRA that is two years later. See charts 3 and 4.

CHART 3. Change in Per Capita Net Cash Income among Individuals Age 62 and Older by Marital Status in Selected Years – Delay Option

Source: Urban Institute analysis of SSLLB proposal using DYNASIM

CHART 4. Change in Per Capita Net Cash Income among Individuals Age 62 and Older by Marital Status in Selected Years – No Delay Option

Source: Urban Institute analysis of SSLLB proposal using DYNASIM
Our proposal is expected to have roughly equal positive impacts on both men and women, increasing the overall average per capita cash income for those 62 and over by $460 by 2045 and $830 by 2065. The amounts remain constant in both the Delay and No Delay option. See charts 5 and 6.

**CHART 5. Change in Average Per Capita Cash Income of People Age 62 and Older by Gender and Year - Delay Option**

![Chart 5](image-url)

Source: Urban Institute analysis of SSLLB proposal using DYNASIM

**CHART 6. Change in Average Per Capita Cash Income of People Age 62 and Older by Gender and Year - No Delay**

![Chart 6](image-url)

Source: Urban Institute analysis of SSLLB proposal using DYNASIM

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33 Even though women take up training at higher rates than men, there are a number of factors that affect Urban’s estimates of the returns to education. In their work, Urban found quite a bit of variability in returns to education from year to year, which makes it more difficult to make precise statements about the returns to education. Also, men tend to have higher earnings generally, but if they get a lower percentage return on their education, then their absolute change in earnings may be quite similar to women. Finally, even if more women than men return to get more education, the labor market may treat women returning to the labor force after retraining differently than men who do so due to labor market discrimination against older workers.
All age groups benefit from our innovation. Those in the 62–69 age category who had their entire career to apply for the benefit, are projected to have an increase in average per capita net cash income of more than 2% by 2055. The No Delay Option is slightly more favorable for almost every category in every decade, but the distinction is relatively small. See charts 7 and 8.

### Chart 7. Percent Change in Average Per Capita Net Cash Income among Individuals Age 62 and Older in Selected Years by Age - Delay Option

<table>
<thead>
<tr>
<th>Year</th>
<th>62–69</th>
<th>70–74</th>
<th>75–79</th>
<th>80–84</th>
<th>85+</th>
</tr>
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<tr>
<td>2015</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2025</td>
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<tr>
<td>2035</td>
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<td>2045</td>
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<td>2055</td>
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<tr>
<td>2065</td>
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</tbody>
</table>

Source: Urban Institute analysis of SSLLB proposal using DYNASIM

### Chart 8. Percent Change in Average Per Capita Net Cash Income among Individuals Age 62 and Older in Selected Years by Age - No Delay Option

<table>
<thead>
<tr>
<th>Year</th>
<th>62–69</th>
<th>70–74</th>
<th>75–79</th>
<th>80–84</th>
<th>85+</th>
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<tbody>
<tr>
<td>2015</td>
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<td>2065</td>
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</tbody>
</table>

Source: Urban Institute analysis of SSLLB proposal using DYNASIM
The model estimates that this proposal will lead to an increase in the age retirees claim their Social Security (chart 9). For modeling purposes, the Delay Option assumes a delayed retirement age of one year based on PSID data showing that most people obtained roughly one year of additional education benefits. Under both the Delay and No Delay options, there is a considerable shift in claiming behavior relative to current law, with a significant reduction in people claiming at age 62. Both options result in an uptick in claiming at ages 63 compared to current law. Claiming age decisions are virtually identical between the Delay and No Delay options.

**CHART 9.** Distribution of OASI Claiming Age under Baseline and Option: People Who Receive Training under the Option, Born 1980 to 1989 Surviving to Social Security Claiming (Excludes DI Beneficiaries and Ages Survivors Who Claim before EEA)

While our proposal would have a positive impact on working people in a range of income brackets, it has practically no effect on reducing poverty relative to current law (charts 10 and 11). This is not surprising, as historically the clear majority of people (96 percent) who return to school as adults have at least a high school diploma and 77 percent have had at least some college. Projecting these trends forward, few individuals with less than high school degrees, who are at particularly high risk of poverty, are impacted by the proposal.
CHART 10. Poverty Rate among Individuals Age 62 and Older in Selected Years by Option - Delay Option

Source: Urban Institute analysis of SSLLB proposal using DYNASIM

CHART 11. Poverty Rate among Individuals Age 62 and Older in Selected Years by Option - No Delay Option

Source: Urban Institute analysis of SSLLB proposal using DYNASIM
CONCLUSION

Today, someone working at age 70 entered the workforce when the workplace resembled the one depicted in the 1960s-set television series *Mad Men*; the changes in the interim, meanwhile—from who is in the workforce, to the types of jobs they are doing, to the employers themselves—have been significant. While it is hard to fathom what the workplace will look like in the next several decades, it is safe to say that employees will increasingly need to learn new skills to adapt to rapid shifts in our economy.

The primary purpose of this proposal is to ensure American workers are prepared and protected against the changing nature of the workforce. It would provide basic income during a period of mid-career training allowing individuals to continue to pay their bills while going to school. Importantly, this would be achieved without creating an entirely new bureaucratic infrastructure.

The DYNASIM simulations demonstrate that this proposal also achieves our other objective of improving the overall Social Security program’s solvency. However, the solvency effects are minor so our proposal would need to be part of a larger reform effort aimed at improving both solvency and adequacy of the Social Security program.

Our proposal expands the social insurance role of Social Security by addressing a key need within today’s changing workplace and economy—the need for workers to enhance and diversify their job skills over the course of their careers. By reimagining Social Security for the coming generations, we can increase its relevance in a highly competitive, 21st century global economy.