

Corbett Road

In The Media

Ask an Advisor: I'm Depending on That Money. How Can I Plan to Retire When Republicans Are Threatening to Cut Social Security?

— By Susannah Snider, CFP® | June 18, 2023

How can I plan to retire fully when the Republicans are threatening to cut Social Security? I'm almost 73, still working part-time and I've paid into Social Security my entire life. I'm depending on that money! - Karen

[Social Security benefits](#) stand as a central pillar in many American retirement plans. In fact, the program provides benefits to 50 million retired workers and their dependents, according to the [Social Security Administration](#).

But for many folks, relying on Social Security benefits feels risky. The Social Security Administration has previously stated that its various trust accounts will run out in 2035. After that, it could continue to fund 80% of benefits.

But it sounds like you are particularly concerned about Social Security's role in the upcoming [debt ceiling](#) negotiations. In this case, some conservative politicians have signaled that changes to Social Security and Medicare are up for debate. But the majority of the Republican party hasn't publicly shared those views.

In a particularly illustrative moment during the recent State of the Union address, boos erupted from Republican lawmakers after President Joe Biden said, "Some Republicans want Social Security and Medicare to sunset."

After some back and forth with the crowd, Biden said, "So folks, as we all apparently agree, Social Security and Medicare is off the books now, right?"

Although I can't prognosticate what will happen on Capitol Hill, I asked a number of [financial advisors](#) to weigh in on how aspiring retirees should approach the future when Social Security feels uncertain. Here's what you should know. ([You can use this tool to get matched with a financial advisor who might meet your needs.](#))

Take a Deep Breath



While nobody has a crystal ball, some financial experts say it's unlikely that current or soon-to-be retirees will see a seismic shift in their Social Security benefits, even in light of upcoming debt ceiling negotiations.

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At nearly age 73, you're likely in a situation where your age is working for you.

"If clients are within five to 10 years (or less) of retiring, then I don't recommend that they assume any major changes to their Social Security income," says Kayla Johnson, financial planner at Corbett Road Wealth Management. "Reducing or clawing back benefits for existing Social Security recipients will get no politician reelected, so I don't see that as a concern."

So take a deep breath. Folks who are already past [retirement age](#) – like you are – aren't necessarily first on the chopping block when it comes to experiencing a potential reduction in benefits.

Consider Your Other Income Sources

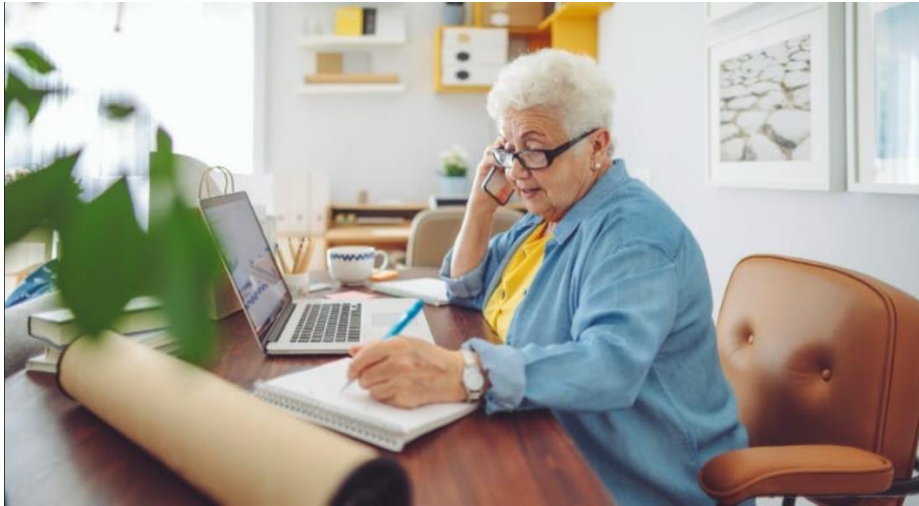
It's notable to me that you're still working, even at nearly age 73. While I don't know how long you continue to pursue [part-time employment](#), it certainly reduces your reliance on Social Security in the meantime and reduces your need to draw on savings.

Many older folks are totally reliant on Social Security benefits. In fact, [among elderly Social Security beneficiaries](#), 12% of men and 15% of women rely on Social Security for 90% or more of their income.

Still, the program "was never intended to be the primary source of retirement income," says Ralph Bender, certified financial planner and founder of Enduring Wealth Advisors. "That's why it's structured like an insurance policy. It is supposed to be a safety net to make up for shortfalls in personal savings."

Keep in mind that working part-time, however long you are able and willing, does provide extra breathing room and may supplement Social Security benefits. [You can use this tool to get matched with a financial advisor who might meet your needs.](#)

For Those Who Haven't Claimed Benefits, Stress-Test Your Financial Plan



Even folks who don't have the relative safety of age can make moves to prepare for Social Security's uncertain future. For aspiring retirees who haven't yet claimed benefits, [stress-testing their financial plan](#) may provide valuable insights.

"If you're thinking about retiring, it is important to stress-test your financial plan with various Social Security claiming strategies and payout amounts to see how reliant your financial goals are to receiving what you hope is a full payout of your Social Security estimated amounts," says Brian Schmeihil, certified financial planner and managing director of wealth management at The Mather Group.

Run scenarios in which there is an immediate or delayed cut to Social Security payments, Schmeihil says. Consider what the future would look like if Uncle Sam paid out, say, 75% of scheduled benefits. And consider whether you can reduce fixed expenses, work longer or make other changes to accommodate those potential futures.

At 73, this strategy won't apply to you, but other readers may consider this exercise. For expert insights, [consider working with a financial advisor.](#)

Bottom Line

Your age may somewhat shield you from the most intense potential changes to the Social Security benefits program, whether they happen as a result of debt ceiling negotiations or other future debates. Your willingness to continue working also provides a buffer.

Folks who are pre-retirement may consider stress-testing their financial plans against various scenarios to prepare for disparate political outcomes.

Investing and Retirement Planning Tips

- If you have questions specific to your investing and retirement situation, a [financial advisor can help](#). Finding a financial advisor doesn't have to be hard. [SmartAsset's free tool](#) matches you with up to three vetted financial advisors who serve your area, and you can interview your advisor matches at no cost to decide which one is right for you. If you're ready to find an advisor who can help you achieve your financial goals, [get started now](#).
- As you plan for income in retirement, keep an eye on Social Security. Use [SmartAsset's Social Security calculator](#) to get an idea of what your benefits could look like in retirement.

Susannah Snider, CFP® is SmartAsset's financial planning columnist. Please note that Susannah is not a participant in the SmartAdvisor Match platform and is an employee of SmartAsset.

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