

CBO BASELINE SAYS SOCIAL SECURITY INSOLVENT ONE YEAR EARLIER, IN 2032, FOLLOWED BY 28% BENEFIT CUTS

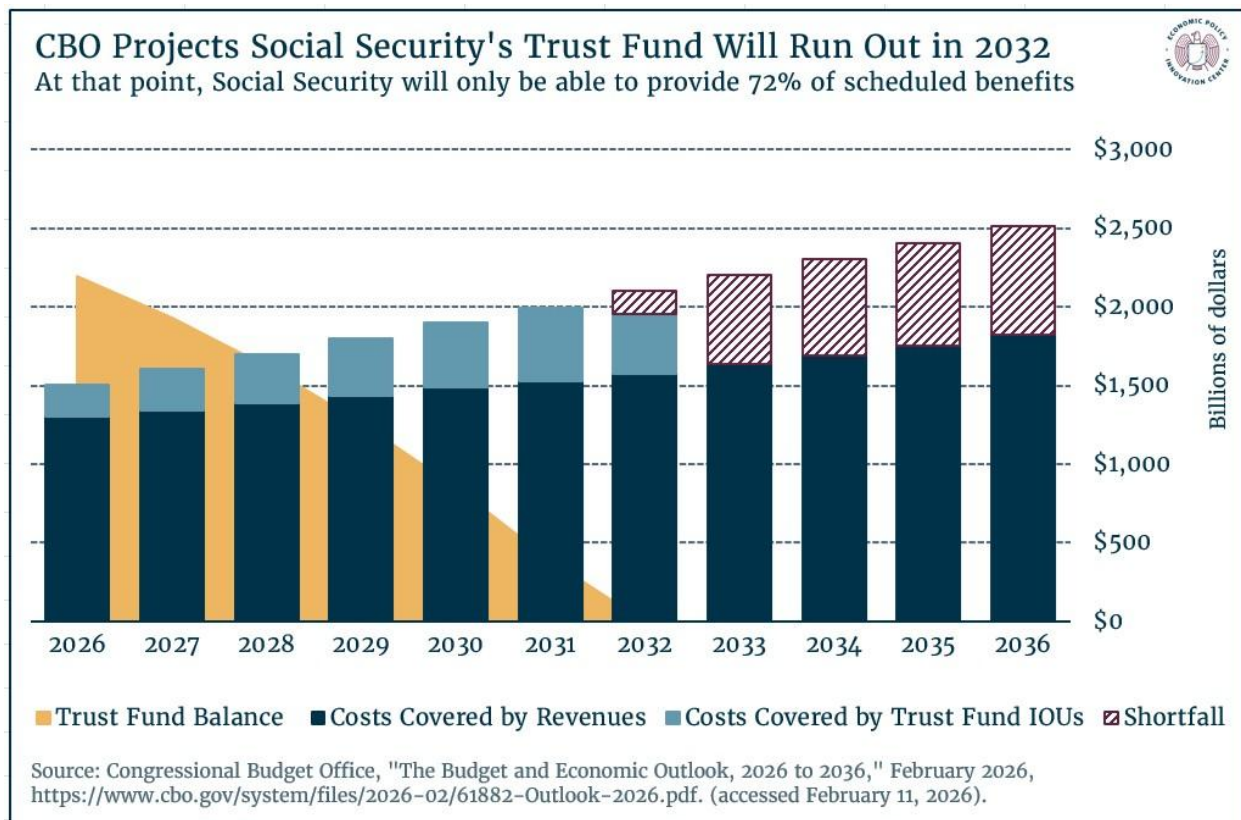
Rachel Greszler,
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The [Congressional Budget Office](#) (CBO) recently released its updated [2026 Budget and Economic Outlook](#) (often referred to as “[the baseline](#)”). The CBO projects that [Social Security’s](#) trust fund will be insolvent in 2032. This is a full year sooner than previously predicted.

Social Security Faces Shortfalls in the Near Future

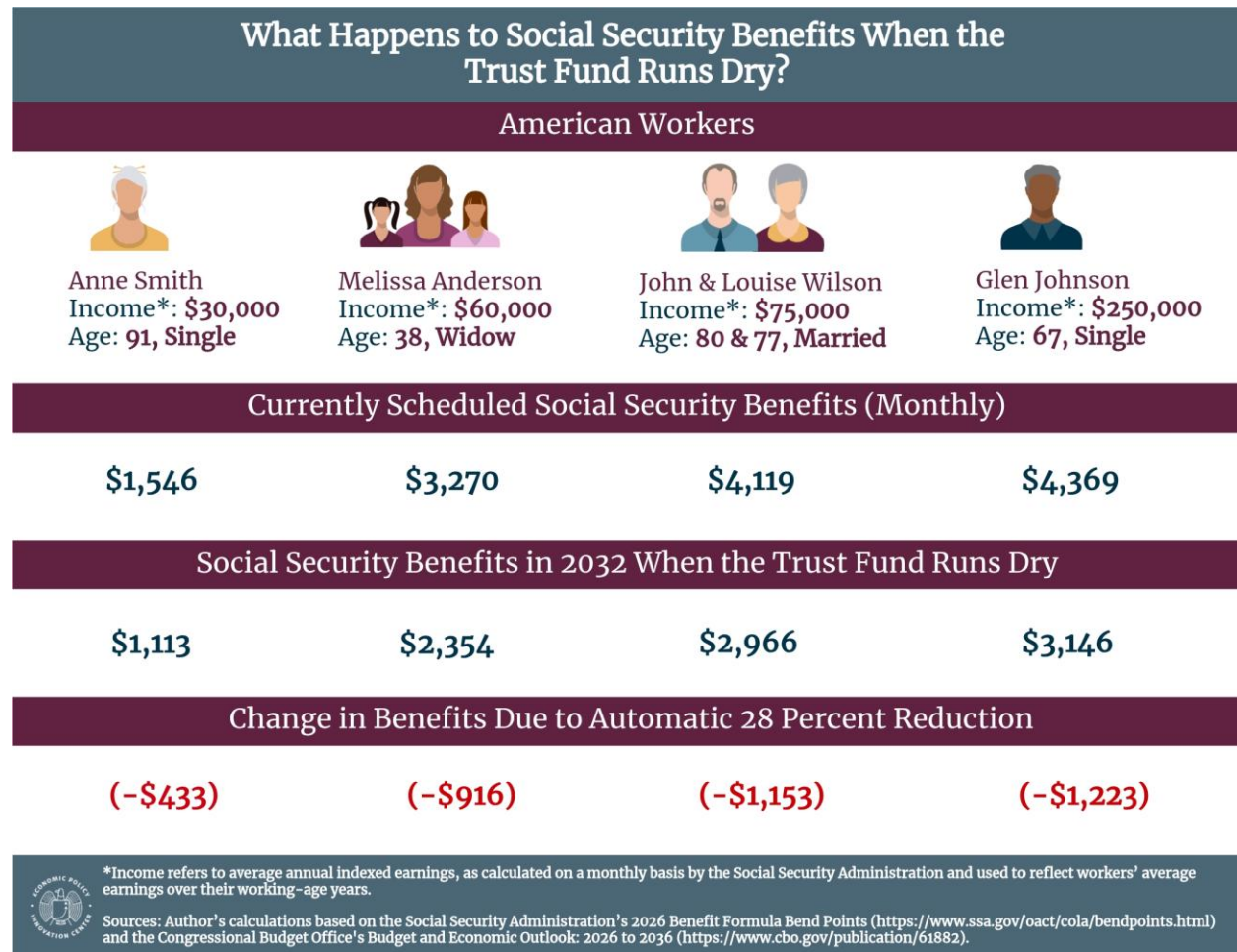
According to the [current law](#), Social Security cannot distribute more in benefits than the program has in revenues and trust fund balances. In 2032, the Old Age and Survivor’s Insurance trust fund will run dry, triggering an automatic 28% benefit cut.

That reduction is larger than 2025 projections, in which [CBO](#) estimated a 24% cut and the [Social Security Trustees](#) estimated a 23% cut.



Absent Action, Insolvency Is Imminent

Without any reforms, approximately 72 million recipients of Social Security’s old age and survivors benefits will be subject to a 28% benefit cut beginning in 2032.



Policymakers should focus their efforts on protecting lower-income retirees, reducing Social Security’s long-term tax burden on all Americans, and introducing personal ownership options that strengthen retirement security without expanding government dependency.

Reforms are necessary in the immediate term if policymakers want to minimize harm to lower-income retirees and preserve the program overall. Inaction is in itself a choice to allow benefit cuts.