<u>Title</u> :	The Effect of US COVID-19 Excess Mortality on Social Security Outlays
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<u>Date</u> :	September 2024

Key Findings and Policy Implications

This paper estimates the net effects of pandemic-induced excess deaths on OASDI liabilities and how these effects vary across different socioeconomic and racial-ethnic groups. The analysis is conducted using two dynamic microsimulation models, the Future Elderly Model (FEM) and the Future Adult Model (FAM). The models incorporate demographic and earnings data from the Health and Retirement Study and the Panel Study of Income Dynamics, and data on excess mortality from the Centers for Disease Control and Prevention. The paper finds that:

- The pandemic resulted in approximately 1.76 million excess deaths among individuals aged 25 and older. The rate of excess deaths per capita was higher for men, Black and Hispanic populations, and older age groups.
- The premature deaths occurring because of the COVID-19 pandemic reduced future Social Security retirement payments by an estimated \$294 billion. However, this gain was offset by reductions in future payroll tax inflows of \$58 billion, and increased payments to surviving spouses and children of \$32 billion. The net savings to Social Security is estimated at \$205 billion, or about \$117,000 per decedent.
- Non-Hispanic Black and Hispanic decedents left behind more underage children per capita, yet payments to their surviving family members were lower compared to non-Hispanic White decedents, across all educational levels.

While the excess deaths from COVID-19 reduced the net liabilities of the OASDI system, the fiscal benefits are extremely modest compared to the broader cost of the pandemic.