

Panel: Social Security funds gone in 2041

April 24 2007

The six-member Washington panel that oversees Medicare and Social Security spending says Medicare will become insolvent by 2019.

The panel also said Social Security will begin paying out more than it collects by 2017 and will be fully depleted by 2041, The Washington Post reported Tuesday.

"Without change, rising costs will drive government spending to unprecedented levels, consume nearly all projected federal revenues, and threaten America's future prosperity," said Treasury Secretary and panel member Henry Paulson.

Social Security expenditures are expected to reach \$594 billion this year, while Medicare is poised to spend \$438 billion, the report said.

The 2017 and 2019 "trouble" dates are both a year later than the panel's earlier estimates.

The dwindling resources are forecast on an estimated 78 million baby boomers who will be retiring in the next several years, the Post said.

The panel's report said if the government wants to keep both programs viable its only options are reducing benefits, raising taxes or both.

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