Social Security provides social insurance by redistributing income from high earners to low earners.

**Lifetime Benefit/Tax Ratio of the 1960s Birth Cohort**

- **Lowest Quintile of Household Earnings**: 2.20
- **Middle Quintile of Household Earnings**: 1.10
- **Highest Quintile of Household Earnings**: 0.73

**Source:** Congressional Budget Office, CBO’s 2019 Long-Term Projections for Social Security: Additional Information, September 2019.

**Notes:** A lifetime benefit/tax ratio of 1.0 means that the expected payment of lifetime benefits equals the expected cost of lifetime taxes. The benefit/tax ratio is measured as the expected present value of lifetime benefits divided by the present value of lifetime payroll taxes. Present values convert a stream of benefits or tax payments into an equivalent lump-sum amount received or paid today. The projections account for a variety of factors, including expected increases in future lifespans. Benefit-tax ratios are based on payable benefits. A quintile is 20% of the income distribution.