



CONGRESSIONAL BUDGET OFFICE  
U.S. Congress  
Washington, DC 20515

Phillip L. Swagel, Director

January 27, 2021

Honorable Chuck Grassley  
Chairman  
Committee on Finance  
United States Senate  
Washington, DC 20510

*Re: The National Average Wage Index in 2020*

Dear Mr. Chairman:

This letter responds to your question about the national average wage index (AWI), which is used in the calculation of Social Security benefits. You asked how much that index changed from 2019 to 2020, according to the Congressional Budget Office's estimate. (The actual figures will not be known until later this year.)

On the basis of employment data from the Bureau of Labor Statistics and earnings data from the Bureau of Economic Analysis, CBO currently estimates that the AWI declined by 0.5 percent from calendar year 2019 to calendar year 2020. That decrease is smaller than the decline of 3.8 percent that CBO projected in September 2020.

I hope this information is helpful to you. Please let me know if you have any further questions.

Sincerely,

A handwritten signature in black ink that reads "Phillip L. Swagel".

Phillip L. Swagel  
Director

cc: Honorable Ron Wyden  
Ranking Member