

Social Security and the upcoming entitlement crisis

August 9, 2:00 PM: Springfield Political Buzz Examiner Michael Moore

Social Security provides benefits to roughly 60 million beneficiaries. Most people think of Social Security as a government retirement program, but there are many different facets to the complex social entitlement. The problem with Social Security is the looming bankruptcy of the entire program that will happen in thirty four years if changes aren't made. Senior citizens depend on the monthly annuity they receive from the government as their sole income, or as a supplement to a pension or investments. Up until this point, the revenue that Social Security receives every year has outpaced the expenditures paid out annually. The Congressional Budget Office projects that as baby boomers march towards retirement, by the end of the decade, Social Security outlays will exceed revenues.

In a report entitled, *CBO's Long-Term Projections for Social Security: 2009 Update* www.cbo.gov/doc.cfm, the non-partisan CBO examines the financial outlook of Social Security to the year 2083. Clearly, you don't have to look that far into the future to realize that a significant problem exists with the funding of the program. In fact, it only takes until the year 2043 before the funds in the program will be exhausted. The CBO report states, "Thus, if the law remains unchanged, CBO projects that thirty four years from now, the Social Security Administration (SSA) will not have the legal authority to pay full benefits."

The CBO report states that there is a seventy five percent likelihood that by 2050 Social Security will be unsustainable. Social Security may be able to provide the majority of baby boomers with the benefits they expect, but for persons retiring at or near the insolvency date there is no guarantee the program will be available. Political leaders in both parties talk at length about Social Security during election cycles. Senior citizens, and now baby boomers, are rightfully worried when there is talk about changing the current system. Policy makers have several choices in addressing the future of Social Security and other entitlement programs. None of these "fixes" will be popular with the American electorate. The government could increase the retirement age, limit benefits, or increase revenues through additional taxation. The prospect of reduced benefits, coupled with higher taxation will not make any solutions popular. Young workers could find themselves paying more in payroll deductions for a benefit they will have to wait longer to enjoy. While the federal government talks about health care, education, foreign aid, and a host of other priorities, Social Security requires immediate attention. The debate over whether entitlements should exist is a conversation for another day. What we do know is that millions of people have paid into a broken system and expect to get the benefits promised to them. Future voters should be asking what our leaders are doing to solve this problem. Will they get an answer?

<http://www.examiner.com/x-19768-Springfield-Political-Buzz-Examiner~y2009m8d9-Social-Security-and-the-upcoming-entitlement-crisis>