



Reform entitlements to protect millennials' financial future

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Last week we marked the six-month point since President Donald Trump took office, and contrary to claims the president has made, very little has been done. This is not the fault of President Trump, however, but rather of the Democrats in Congress, who have taken a page out of the Obama-era Republican obstructionist playbook. For this reason, Congress has not been able to effectively reform health care, the tax code, or even pass a budget.

This sort of partisan gridlock and inefficiency has been normalized to Americans over the past 15 years, and, unfortunately, millennials like myself hardly know anything else. Growing up in such a gridlocked political system has shaped our outlook on the nation and the world. Part of that outlook is the knowledge that most of us likely will not see Social Security payments once we retire.

As a young conservative, I was very concerned about the lack of any serious discussion over the \$20 trillion national debt and the issues causing it during the 2016 presidential campaign. I am disappointed in the Republican president over his failure to take a stance on balancing the budget through entitlement reform. Entitlements and interest on the national debt together constitute what is known as "mandatory spending," which makes up about 60 percent of the federal budget and continues to grow every year.

Losing out are discretionary spending programs, the part of the budget Congress is able to debate and change annually that constitutes every other job the federal government has besides Social Security, Medicare, Medicaid and interest on the debt.

At the current rate, only 18 percent of the federal budget will be left for discretionary purposes by 2047, ensuring vast cuts to necessary programs such as the State Department and defense spending in the name of entitlements (Peter G. Peterson Foundation). The constituency of the AARP, Washington's most powerful lobbying organization, does not need to worry about this coming crisis, but my generation does. While the debt will remain for me and my children to pay off, Social Security, Medicare and Medicaid will face automatic cuts in the coming decades as their trust funds run out.

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Simply put, Social Security is not guaranteed to me as it is to my parents' generation. The annual rate of return for Social Security is, on average, about 1.23 percent, while the average rate of return for private investment is close to 7 percent (Heritage Foundation). Through partial privatization, specifically the plan put forward by organizations such as the CATO Institute, we can reduce the federal deficit as well as ensure greater returns for retirement savings.

Similar reforms, such as block-grant spending for Medicaid, can ensure the survival of these needed programs while reducing the national debt and continuing discretionary programs as they currently exist.

It is very important to note that originally FDR's New Deal programs and LBJ's Great Society programs were meant as safety nets. Social Security was intended to be supplemental income, not the main income as it is now for many retired persons. When politicians such as Senate Minority Leader Chuck Schumer, D-N.Y., describe how cuts to these programs are inhumane because they are increasingly becoming "middle-class programs," my resolve to reform them and return them to their original purpose is strengthened.

In other words, entitlements were not intended to be middle-class programs, because the taxpayer cannot sustain a program that covers the nation's largest class, particularly because the average taxpayer belongs to the middle class.

It is important to note that under these reforms, those who have paid throughout their lives will still receive the benefits they have earned, but the system can be made more efficient and yield greater returns to ensure prosperity for both the economy and for my generation. Just as I am concerned about my parents and their generation having a secure retirement, I believe their generation should be concerned about millennials' financial future.

Reforms to the entitlement system can achieve both of these ends, but reforms must be made now before it is too late.