

Tryon Daily Bulletin

Senior Lifestyles: Social Security: The outlook for today and tomorrow

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I recently wrote an article about the financial challenges facing both aging seniors and our government. There's another aspect that Americans younger than age 50 may have to be concerned about as they look to the future. It's the viability of Social Security as we know it.

The good news for those of us over the age of 50 is that based on the way things are structured today, we are currently guaranteed that we'll receive our full Social Security benefits until approximately 2035. However, for those younger than age 50, unless Congress takes action to correct the current problems with the rapidly depleting system based on payroll and other Social Security tax revenues projected at that point in time, millennials will receive just 75 percent of their earned benefits.

Our nation's soaring debt is now about \$20 trillion, and our insatiable spending habits drove our borrowed debt level from about \$9 trillion in 2009 to over \$19 trillion in just eight years – and both political parties share in the blame and responsibility for that situation. What you may not know is that the Social Security Administration's annual Trustees Report indicates that Social Security's unfunded obligation is now \$11.5 trillion.

There are a number of reasons for this looming disaster, and the first is the reality that every politician seeking reelection knows that touching any aspect of Social Security, considered one of the "third rails of politics," is a guarantee of defeat in the next election.

Another reason is a combination of the workforce size and its relationship to our declining birth rate. To survive, a civilization has to reproduce 2.1 babies for every two people in the population. Today, America is barely maintaining that 2.1 birthrate level to replace its aging population.

In 1960, we had a worker to retiree ratio of 5:1 or five workers paying into Social Security for every one retiree. In 2009 that ratio fell to 3:1 and in 2030 is expected to drop to just over 2:1.

Today, workers in the existing labor force are actually paying for current retirees with their Social Security dollars rather than paying for their own future retirement. Consider the declining numbers of workers supporting each retiree and you begin to see that we're on a collision course with disaster.

According to the CATO Institute, "If Republicans could not even slow the growth of Medicaid or rein in the program's Obamacare expansion, how will they ever withstand the special-interest onslaught that will accompany any attempt to control entitlement costs? The dynamics are not

going to change. The public will remain horrified at the thought of giving up any benefits, no matter how unrealistic those promises may be. Democrats will remain adamantly opposed to cutting a dime from any program...”

Like the financial challenge of paying for living longer lives, sustaining Social Security is a real and growing problem. For millennials, the solution most likely lies in planning ahead, and starting today to prepare to face a retirement future that may not include full or any Social Security benefits. This may occur even as they continue to be required to pay into a system supporting those of us who have already retired.

Revamping the antiquated Social Security program would allow millennials to save substantially more and protect our country’s financial future. Congress has the power to enact serious and lasting reform that might save the country from the inevitable failure of a system that’s currently unsustainable.

With a midterm election on the horizon, if I were a millennial, I’d be asking some very hard questions of my candidates, especially those who are incumbents. I’d want to know why they haven’t done anything and what they will do to assure me of having access to the dollars I’m currently paying into a failing system; I’d like to be sure that I will have a more secure retirement in my future. It’s long past time to have politicians replace words with actions.