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Social Security Is Still a Looming Disaster

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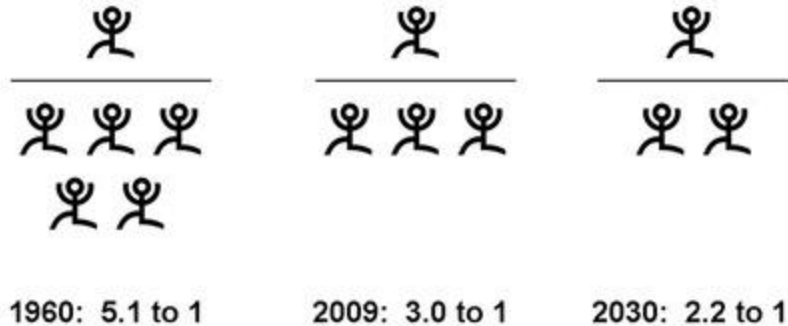
Did Donald Trump collude with Russia in order to gain an advantage in the presidential election? Will Republicans repeal or replace ObamaCare? And will Congress ever get around to the border wall, tax cuts and a host of other important issues? Seems like everything is on the radar right now except the one thing that everyone in Washington *should* be talking about: Social Security reform.

But don't worry. If you're under 50, you still have some time to hope that Congress and the president will wake up and deal with this monumental entitlement problem.

How bad is it? A lot worse than we think. The Social Security Administration's annual Trustees Report indicates that Social Security's unfunded obligation is now \$11.5 trillion. The Heritage Foundation's Romina Boccia reminds us, "In the absence of congressional action, benefits could be delayed or indiscriminately reduced across the board by 25 percent. Once the Social Security trust fund is depleted, the program will only be able to pay 75 percent of scheduled benefits, based on payroll and other Social Security tax revenues projected at that time."

For now, Social Security will continue to make its payments to those who have reached retirement age. But by 2035, the trust fund will run dry and Social Security will have to rely on payments into the system. Unfortunately, the number of people paying will be insufficient to fund those who are retiring.

Social Security: Worker to Beneficiary Ratio



As of now, there are few solutions being offered. In 2016, House Ways and Means Committee Chairman Sam Johnson (R-TX), introduced the Social Security Reform Act of 2016. But the program merely tinkers with the system already in place, leaving it susceptible to the same problems that plague it today.

But politicians of both parties need to be thinking about more than just current retirees. Millennials are paying attention to Social Security and are anxious to do something about it.

David Barnes writes in the Washington Examiner, “My generation demonstrates both the capacity and desire to plan and save for retirement but, as the payroll tax eats up more of our hard-earned income, Social Security is actually hindering our ability to do so. Revamping the antiquated Social Security program would allow millennials to save substantially more and protect our country’s financial future. My generation has been saddled with a head-spinning nearly \$20 trillion in federal government debt. And Social Security, the single largest federal program, is a huge driver of this debt, costing nearly \$929 billion in 2016, close to a quarter of every dollar the government spent.”

If Millennials as a whole are savvy when it comes to their financial future, it’s yet another critical opportunity that most Republicans are failing to recognize. Here we have a whole generation of young Americans clamoring for alternatives to the status quo, but Republicans have nothing to offer. They’re not even *thinking* about the problem anymore. Add this to a long list of hanging fruit for which Republicans refuse to reach.

So what can we expect from congressional Republicans moving forward? The Cato Institute’s Michael Tanner paints a bleak picture: “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. President Trump will remain distracted and disengaged (not to mention increasingly unpopular). Republicans will remain divided and afraid.”

One can understand that President Trump has a lot on his plate, and expecting him to tackle Social Security reform is perhaps unreasonable considering that congressional Republicans can't seem to agree on anything these days. If the GOP can't even muster enough unity to cut taxes or repeal ObamaCare, Republicans are unlikely to touch “the third rail of American politics” and send a Social Security reform bill to the president anytime soon.

But that doesn't absolve President Trump of the responsibility to at least acknowledge the problem. Sure, other presidents have kicked the can down the road, so this president isn't any more to blame than his predecessors. At the same time, President Trump and the Republican Congress are in a challenging but advantageous position: They actually have the power to enact serious and lasting reform that might save the country from the inevitable failure of a system that's currently unsustainable.

Were President Trump to look at Social Security reform as an opportunity rather than a burden to be put aside for the next administration, he might break up the very political establishment that he claims to oppose. And Republicans might be viewed as a party of real change and reform instead of a do-nothing party afraid of its own shadow.

On the campaign trail, Trump wasn't the least bit interested in Social Security reform. In fact, he promised not to touch it. Yet if Republicans could muster the political will to craft a thoughtful bill and send it to the president, he might just jump at the chance to sign it. Not that we should expect it anytime soon. Republicans seem to think it's safer these days to do a lot of nothing.