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Editorial: Solutions must be adopted now to keep Social Security solvent

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Social Security is in need of reform. This is nothing new. The nation has known for decades that its retirement program is in jeopardy, but finding a lasting solution has proven elusive. As the program turns 75 this week, there isn't much cause for celebration. But there are steps to bolster the program that should be taken now.

The annual report of the Social Security program, released last week, stated more bad news about its financial well-being. For the first time since the early 1980s, pension and disability payments will exceed revenues for this year and next, a reflection of the nation's high unemployment. While the program should be back on track by 2012, it is only a short time before things take a more permanent turn for the worse. For every year after 2015, the report projects that Social Security will be paying out more than it receives.

Trustees of the program predict the Social Security trust fund will be depleted in 2037. At that time, experts predict that tax revenue will cover around 75 percent of benefits. In the long run, the current system is not supportable as a declining work force pays for the retirement benefits of an increasing number of retirees.

Nicola Moore, an economics expert at the Heritage Foundation, suggests several ways to improve the retirement program. First, she supports increasing the eligible age for full benefits. In the next few years, the retirement age is already moving up to 67, but she says that number should rise as American life spans increase. Cato Institute senior fellow Jagadeesh Gokhale, an expert on entitlement reform, says Social Security could recover a significant portion of its \$7.9 trillion deficit through pushing back the eligibility age.

Moore also recommends targeting benefits to the neediest seniors to help compensate for the shortfall. "Reducing benefits for the wealthiest retirees would help move the system toward solvency," she contends. That's preferable to raising Social Security taxes.

Finally, both Gokhale and Moore say that it will be vital for people to start saving more and becoming more responsible for their own retirement accounts. One way to do this is through automatic enrollment in Individual Retirement Accounts that could supplement Social Security -- a plan that has received bipartisan support and was recently introduced in the U.S. Senate by Jeff Bingaman, D-N.M.

Social Security cannot go on as it is, and it is unfair to future generations to leave them with a broken, unsustainable program.

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