



SOCIAL SECURITY PROBLEM

The Problem: Social Security is a hugely successful program in that has kept millions of older or disabled Americans from extreme poverty. But its solvency is threatened. As longevity increases and a wave of boomers retire, there won't be enough workers paying into the system to support projected benefits.

***Fact 1.** We ALL want Social Security to be Viable and most all understand the time for action is now. The 2013 Trustee report **again** recommends that lawmakers address the projected trust fund shortfalls in a timely way, including some combination of payroll tax rate increase and immediate and permanent reduction in benefits to future beneficiaries.

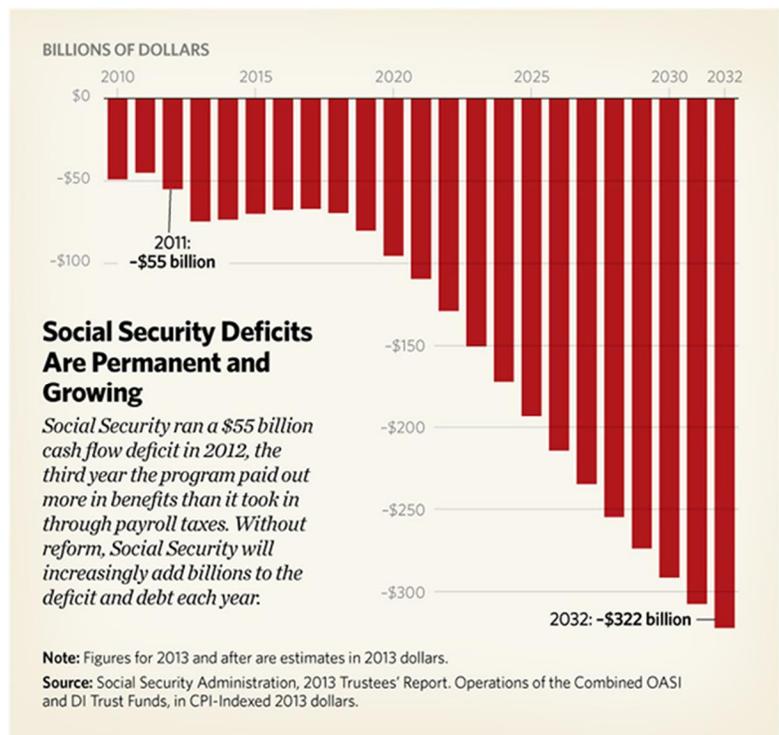
***Fact 2.** Social Security ran a \$55 billion deficit in 2012, closing out three years of consecutive cash-flow deficits as the program's unfunded obligations continue to grow.

-No problem, the Trust Fund contains a whopping \$2.6 trillion+, so we are OK; right???

***Fact 3.** It's true that Trust Fund balances are available for benefit payments and other Trust Fund expenditures, but only in a bookkeeping sense. They do not consist of real economic assets. They are intra-governmental bonds, or IOU's.

It's like you loan yourself \$100 and also charge yourself interest. Can you then claim not only the \$100, but also the interest as future income for yourself? Try using that income the next time you go to a bank to apply for a loan!

***Fact 4.** Historically SS tax revenue had been greater than was being paid out; the excess was spent by the government on other things. As noted in *Fact 2*, SS now is running a negative \$55 billion a year and growing. The Government will need to find another way to make up the difference, raise taxes, reduce benefits... **Until then, every SS dollar not funded through P/R taxes of current workers, adds to the deficit.**



In a 'Message to the Public' section of their report, the Trustees stated: "Neither Medicare nor Social Security can sustain projected long-run programs in full under currently scheduled financing, and legislative changes are necessary to avoid disruptive consequences for beneficiaries and taxpayers."

What You Can Do: Share this information and seek reliable sources to stay informed

<http://www.ssa.gov/oact/trsum/index.html>

<http://www.heritage.org/Research/Commentary/2011/07/Fix-Social-Security-to-give-better-future-to-our-kids>

<http://www.americanthinker.com/2011/04/where-the-budget-deficit-actua-1.html>