

TULSA WORLD

March 3, 2005

Social Security Reform Basics

By Terry Neese

Reforming Social Security is a confusing subject. It shouldn't be. There are four facts every Oklahoman needs to know about Social Security.

Fact 1: Forty-five million Americans are currently retired and drawing Social Security.

Fact 2: There are seventy-seven million baby boomers getting ready to retire.

Fact 3: By the year 2018, we will be paying more out of the system than we are paying in to it.

Fact 4: The sum of the first three facts amounts to an \$11 trillion unfunded liability for generations of Oklahomans and Americans to come.

Social Security is on the policy blocks in Washington, D.C. and Oklahomans are being bombarded with a decision of where to stand. In the clutter of debate, the importance of why this system needs to be

changed has been ignored. A frequent question that arises is, 'why do we need to reform or a change to Social Security'? 'Why is it that we are so concerned about the amount of baby boomers withdrawing from social security if they have been paying in all these years'? The answer is simple. If all the money American workers, especially Oklahomans, had been deposited into the Social Security system had been protected by the Federal Government, then there would be plenty of funds to pay benefits to those heading into retirement. Unfortunately, this is not the case.

Beginning in 1969, under the Johnson administration, the Federal Government began its abuse of Social Security by taking surplus and using it for other government activities. Both Democrats and Republicans are to blame.

The Congressional Budget and Impoundment Act of 1974 allowed the

government to spend Social Security surplus at will. Also, the government issued IOU's in place of the borrowed funds, leaving future generations to rely on government's un-backed promises to ensure their livelihood following retirement. In 1983, following urges and insistence by the Greenspan National Commission, Congress realized this predicament and attempted to reform Social Security legislation, ensuring the funds would be kept off-budget – separate from on-budget government spending. However, this perpetuated the problem and allowed government to continue to raid these accounts. The result? A broke system in need of a bailout or serious restructuring.

It is true that baby-boomer Oklahomans will not be affected by the Social Security dilemma until 2042 when a best-case scenario will only allow for less than three-quarters of benefits currently promised. The concern is

not as much about those nearing retirement and their benefits, but the future benefits of those who they have worked so hard for all of these years – their children. It is the future of Oklahoma we are discussing. Should we not act to ensure our children have a chance at retirement, we would be ignoring the value and purpose behind our hard work leading up to this point. Why give the government complete control of your hard-earned money when they have proven to be irresponsible with it? Should you not be more in control of your children's future than the government that has jeopardized it in the first place?

President Bush is not only looking out for the working Oklahoman's money, he is standing tough against those that do not care about the future of this country and certainly our state. He is standing strong against anything that threatens the future of this state and country – be it terrorism or the looting of social security.

What makes Oklahoma so grand is not the businesses or the ground we walk on, but the people. Standing up for the responsible distribution of wages we earn is noble. Therefore, personalizing Social Security is the only way to ensure that future hard working Oklahomans will have a chance at the retirement they deserve.

***About the Author:
Neese leads the newly formed Team NCPA (National Center for Policy Analysis) initiative in Oklahoma. Team NCPA is a special project of the Dallas-based think tank to educate the general public about the critical need for Social Security reform and the benefits of a personal investment-based approach. For more information visit the web site by clicking the following link National Center for Policy Analysis.***