

The OKLAHOMAN

April 10, 2006

Steps to Social Security reform

By Matt Moore

Tax Day is right around the corner. And if you're like me, you're wringing your hands about how much we owe to the federal government. But whether we realize it or not, most people pay more in Social Security taxes than income taxes. And if the program is not reformed, the payroll tax rate will have to climb so high that the amount we pay today will look like chump change.

The most important domestic policy issue facing the United States today is the retirement of the 77 million baby boomers. If Congress doesn't get a handle on elderly entitlement spending, we won't be able to afford anything else.

The government is making promises it cannot keep. As a result, we are chalking up future debts that will be a significant strain on future workers. While the debts will start rather small and set in gradually, they will get very large, very fast. In all, the program is promising more

than \$11 trillion in benefits above and beyond what it will collect under current law from workers' wages.

For two decades, Social Security has collected more taxes than it paid in benefits. This will continue until 2017, when Social Security begins paying more in benefits than it receives. Unfortunately, every spare dollar of this surplus is siphoned out of the fund each year and spent on other federal priorities. Today, the trust fund does not hold any cash, but special Treasury bonds. Those bonds — about \$3 trillion worth — will have to be cashed in to fund full benefits. (And after the bonds run out, Social Security can afford only three-quarters of promised benefits).

Between now and 2017, Social Security will collect another \$500 billion, which also will be spent on other federal priorities, and must also be repaid — somehow, unless we make some changes.

Both parties got us into this

mess: Four presidential administrations and members of both parties in Congress have willingly played the game. Now, both parties need to help get us out.

Make no mistake, Congress does need to come up with a plan. Last year, President Bush made a lot of speeches asking for Congress to reform Social Security and providing principles and a framework to help guide their discussion. Unfortunately, Congress dropped the ball.

Social Security reform is needed, but it's unlikely to come all at once. Rather, this is going to be a long and complicated walk. The first step is protecting the program's surpluses. The second step is for both sides to come to the table and do what's best for our country. We're running out of time.

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