

Social Security is Sinking

[Via Money.CNN:](#)

“In an annual report released Thursday, trustees of the government’s two largest entitlement programs – Social Security and Medicare – urged lawmakers to act quickly to assure Americans they’ll be able to get their full retirement benefits.

The trustees projected that the Social Security trust fund will be tapped out by 2034. While that projection is unchanged from last year’s annual report card, the trustees warned of persistent long-term challenges ahead if fixes aren’t made to pay for the program.

‘The trajectory is still alarming,’ said Tom Price, secretary of the Health and Human Services Department in a joint press conference at the Treasury Department. ‘The bottom line is it must be addressed.’

What exactly does this mean? The article explains:

“The latest projection doesn’t mean retirees will get nothing starting in 2034. It only means that at that point the program will only have enough revenue coming in to pay 77% of promised benefits.

So if you were expecting to get \$2,000 a month, your payout would shrink to \$1,540.”

This news is not good, but it does present lawmakers an opportunity.

The U.S. is steaming toward [a debt crisis of scary proportions](#); but while lawmakers are aware of the problem, they appear utterly unable to correct the course.

The debt crisis has little to do with Social Security—healthcare spending and interest are the primary drivers—but the fact remains that Social Security is in bad shape absent legislative changes. (Imagine paying into the system your entire life and being told you're receiving 77 cents on the dollar you were promised?)

Unfortunately, lawmakers in Washington no longer seem capable of fixing problems. Hyper-partisanship has made it all but impossible for lawmakers to work together to address the structural problems that are bankrupting our children and grandchildren's future.

The truth is we're facing a political crisis as well as a debt crisis. Ask yourself: When was the last time Democrats and Republicans worked together to pass sweeping fiscal policy?

Two things leap to mind: George H.W. Bush's tax hike in 1990, in which he worked with Democrats to close a \$200 billion budget deficit, and [the welfare reform](#) legislation Bill Clinton signed in 1996. How did it work out for them?

Bush was crushed at the polls by Clinton for breaking his pledge to not raise taxes. (Though [he received](#) a swell reward for bravery a quarter century later.)

Clinton was excoriated by his progressive base for signing legislation that tied work to some welfare payments, a policy they say [crushes the poor](#) and [is probably racist](#). His wife, while running for president, had to face headlines [like this one](#): "Why Hillary Clinton Doesn't Deserve the Black Vote."

The new formula has been to steamroll the opposition, as was done with George W. Bush's [tax cuts](#) in 2001 and 2003 and Barack Obama's [Affordable Care Act](#). Ramming home sweeping legislation over razor-thin margins has only fueled the partisanship and gridlock in Washington.

Social Security could be stabilized for another generation or

two fairly easily—through some combination of raising the retirement age, means-testing payments, lifting the cap on taxable income, and tweaking cost-of-living adjustments.

Some of these policies I support, some of them I don't. But my point is this: don't expect a solution from lawmakers. Stonewalling, platitudes, and outrage are the new normal.

“There are two ways to conquer and enslave a nation. One is by sword, the other is by debt.” – John Adams