

Faithful Citizenship



March 2, 2008

I ended last week saying that by the year 2030, there would be fewer than 2 workers for every Social Security beneficiary. Imagine what our children's paychecks will look like if nothing is changed! What can be done?

Reducing benefits seems like the most obvious. But is that fair to those of us who have been paying in all our lives and expecting at least what we were promised? Reduce the supplementary programs that provide for the disabled, poor, orphaned, etc.? How can we do that in a society as rich as ours?

Social Security is not money we have in a savings account earning us interest. That is, however, what Galveston County, Texas, opted to do in 1980. Through conservative investing, mostly fixed-rate annuities rather than stocks, bonds, etc., Galveston has been able to give a worker earning \$26,000/yr almost double what his Social Security would be--\$1,500 instead of \$853. A worker earning \$51,000 will get \$3,103 rather than \$1,368, and someone earning \$75,000 will receive nearly triple their expected Social Security benefit--\$4,540 instead of \$1,645. Survivor and disability benefits are also better than those under the present Social Security system. There is no "topped out" limit on income.

Galveston has had some growing pains with this. Initially they allowed workers to withdraw from this "savings" account for personal financial hardships. Those who did will receive fewer benefits. They have since stopped allowing withdrawals. Although they have not incorporated it into their package, they see that it is possible to guarantee an income at least as much as Social Security to low-income workers who may be hesitant to join a private fund. Government has shown us time and again that they are no match for the private sector in making ends meet. How about giving us a choice?

Gotta go boot up my hard drive! Aloha - Mary B.