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Serious problem won't just go away

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As a financial planner who works on a daily basis with individuals who are planning their financial futures, I am concerned by our government's apparent lack of concern over the looming Social Security crisis. Granted, our government's attention these days is focused on the war in Iraq, the global war on terrorism and the state of our economy. The late Sen. Paul Tsongas and his Concord Coalition's "Final Report of the President's Commission to Strengthen Social Security," issued in October 2002, attempted to raise the level of public consciousness about this looming crisis. Several of the report's sobering facts are worth repeating:

- 1) In the year 2009, the year after the first baby boomers qualify for benefits, the annual cash surplus of Social Security will start shrinking.
- 2) From 2017 through 2041, Social Security will need to draw upon interest income and eventually will have to liquidate its assets. By 2041, the trust assets will be depleted, leaving Social Security with enough annual income to pay just 74% of benefits. The annual cash deficit will be \$360 billion in current dollars.
- 3) Closing the gap in 2041 would require a 34 percent increase in the current Social Security tax rate or a 27 percent cut in benefits.
- 4) Social Security costs as a percentage of the U.S. economy will increase by 50 percent, from 4.46 percent today to 6.7 percent in 2041.
- 5) The growth in Social Security cost will take place along with similar growth in costs for other entitlement programs such as Medicare and Medicaid putting their future viability at risk as well. The report concluded that the federal government has no plan to address this problem

Is it fair to do nothing and put this problem on the backs of our children and grandchildren?
The time for action is now, and the clock is ticking.