

The Privatizing of Social Security

The debate begins by Howard Blum

Okay America, this one is a political 'hot potato' nationwide. We are going to look at the 'pros' and 'cons' of this issue and why you need to care and voice your opinion. Yes, your opinion counts to your national elected officials if you just communicate with them.

There is the beginnings of a national debate over whether the Social Security system in this country should be privatized, in whole or in part. It is an issue that is more volatile for our national legislators than any other in recent memory since the Vietnam War. It is a subject whose substance literally touches the 'pocketbook' of every American.

The 'cons' go something like this:

- 1- Why should the Wall Street types and brokers make a commission on such a large chunk of money being invested?
- 2- Stock prices are very high now. Why should we risk our money now when stocks are sure to go lower as soon as we

invest?

- 3- If it isn't broke, don't fix it.
- 4- Why should we put our money at risk?

The 'pros' go something like this:

- 1- The government is not investing the money they collect in the form of Social Security, they're just using it to hold down the 'official' annual deficits.
- 2- The law states that any excess Social Security moneys must be invested in Treasury bonds that pay interest. The truth is that is not happening.
- 3- The current system is actually yielding a negative return for participants as compared with any other method of investing, including passbook savings.
- 4- The system in the country of Chile was insolvent and went 'privatized' about twelve years ago. It is now healthier than any 'Social Security' type system in the free world today.
- 5- If the United States goes

bankrupt due to the national debt, currently running more than \$5.3 trillion, the I.O.U.'s being given in lieu of the \$60 billion of Social Security payments in excess of annual outflow the I.O.U.'s would become worthless leaving tens of millions of Americans in a bad way.

The truth of the matter is no one knows what to do. The result is a Congress incapable of making any improvements or enhancement to the system to assure its solvency beyond the year 2010. Why? Because they are deathly afraid of doing it wrong. Without your input they're probably going to do nothing which is the worst thing possible.

Make your voice heard. Write to your representative in the House and to your Senators and tell them to do something to protect the system. Everyone's future depends on your doing something proactive.

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Footnote:

The actual return on money placed into the Social Security system by you and by your employer on your behalf is a negative number.