Social Security Essay, Research Paper

Since the Second New Deal and the Social Security Act of 1935 the elderly and disabled of the United States have relied upon their monthly checks from the government to survive. However, from its inception the Social Security system has been plagued with numerous problems. Out of all the problems that have enveloped the system. There are only two that have seriously threaten the existence of the entire Social Security system. The first problem that jeopardized the existence of the system was in 1937 when there was a movement in the courts to declare the actions and creation of the system as being unconstitutional. This movement to prevent the establishment of the Social Security system never reached the Supreme Court. The second and most recent problem to face the system is by far the greatest threat ever to the existence of the system. This new threat is one that has been perpetuated by the inability of the system to solve the problem.

The problem that is at hand today is that the Social Security system will not be able to pay its recipients their deserved funds. This problem was created by the fact that longevity has increased and that in the next 5 to 10 years the baby boomers will become eligible for Social Security. What is unique about the problem is that the system?s funds will not be completely depleted until the year 2029 . The problem of depleted funds in the system is created because the system is unable to adjust to the change in life style and cost of living. Thus the system over time will not take in enough money or give out enough to support the recipient with the proper funds to survive.

However as a result of a period of healthy economic growth, reduced unemployment and low inflation, the long-range solvency predictions about the Social Security system have improved over the past year, according to the Social Security Board of Trustees . The robust economy we are currently enjoying and the enactment of the Balanced Budget Act support this statement. With the past year of economic success the board predicts that the system will remain solvent until 2032 . Kenneth S. Apfel, commissioner of the Social Security Administration, calls the system’s long-term financial problems manageable, but warns against relying on the often unpredictable economy to aid in the future of the ailing system .

It is clear that action must be taken to stave off a serious Social Security crisis. As a Senator from Pennsylvania I am in a difficult and unique position. Pennsylvania is a state with two vastly different spectrums of the Social Security system. The first is the urban spectrum where most of the recipients are barley living above the poverty line. There are two causes for this problem. First, the cost of living in the city is exorbitantly expensive. Second, many of the urban recipients had jobs that were low paying; thus the amount of return on their Social Security checks was low.

The second is the rural spectrum where most of the people are having few problems with the system. This is because the cost of living in the countryside is low. The returns that the recipients get from the system enable them to live a comfortable life.

Because of the vastly different spectrums within my state I must be careful when supporting reforms for the Social Security system. I can not support a reform that will hurt one spectrum and benefit the other. Also being a Senator I must keep in mind how the reforms will effect the rest of the nation. I must keep the mentality of a statesman at all times.

Being aware of the crisis and the circumstances in my state and the nation there are several reforms that I feel should never be implemented into the system. One such reform is the proposal to privatize the system. Supporters of privatizing the Social Security system argue that privatization provides the individual with control of the Social Security portion of their retirement plan. Thus allowing investors to achieve higher rates of return and higher benefits than Social Security provides. I feel this reform is not acceptable. In order to change the system to a private one it would cost a significant amount of money. This change could undermine the stable benefits that the people receive from the Social Security system. This would especially hurt the low-income recipients. It is my belief that individual accounts to invest funds can be supplemental but not replace the system. Currently many Americans invest their money for retirement. This is great but an across the board move should not be done.

Another reform for the system, which I feel, should not be implement is the raise of the payroll tax. Workers and individuals pay the payroll tax from their pay checks to the system. In 1999, workers and their employers each paid 6.2 percent payroll tax on wages, up to a maximum of $72,600. It is believed that by raising the payroll tax the revenue would rise, which could mean less severe benefit cuts to save the system. I am against this because raising the payroll tax could have a negative effect on the economy and will reduce the take-home pay of most workers, especially low-income workers. And, employers would have to pay more payroll tax.

These are just two examples of proposed reforms with which I disagree with. There are however several reforms that I am a strong support of.

Currently the age at which one is to begin receiving Social Security benefits is planed to be 67. Seeing that the longevity of people in America has increased it is only a plausible reform to increase the retirement age. I feel that the retirement age should be change to 70 years of age. This change can also be supported by the fact that if the retirement age in 1935 was set at 65; today the it would be above age 70. Opponents to the increase say that the older works that are forced to continue working due to the increase in the retirement age may become unemployed and fall below the poverty line. They also say that elder people are often phased out of work because of their age. My response to this is that there are numerous laws against age discrimination. Any company that discriminates against elders will feel the wrath of justice.

And the final reform is a modification of currently proposed reform. Being from a state were there are both significant urban and rural populations I know the significant difference in the cost of living. Understanding this difference I propose that the Social security system take into account the location of living for the recipient. If a recipient lives in a significantly urban area they would receive more funds to maintain a similar life style to those who receive funds in the rural areas. The benefits of the rural recipients would not be affect they would receive the same amounts as they currently do. Just the benefits of the urban recipients would be increased to insure a comfortable style of living.

The problems facing the nation with the Social Security system are such that it will take a fully bipartisan action to solve them. While creating reforms for the system we must keep in mind why the system was created, how the reforms will effect each individual in the nation, and to maintain a nonbiased system. We must a nation solve these issue before they reach a point in which we can no longer salvage the system.