

Solutions for Social Security

While Social Security might not seem like an issue that affects the average student, it does. Social Security affects everyone. Our loved ones, parents, grandparents, children and our own futures. It is an issue that will continue to affect all Americans well into the future. Plain and simply, Social Security should be there to guarantee full benefits for future generations, just as it has in the past.

I recently attended a national training session sponsored by the U.S. Student Association, the nation's oldest and largest student organization, and the 2030 Center, a public policy institute for young adults. Here, more than 60 young leaders and activists from across the country came together to develop national strategy for young people to muse on Social Security.

In order to understand the debate around Social Security, we first need to look at the basics of the program. Social Security is a universal social insurance program that protects workers and their families against the loss of earnings that occurs when a worker retires, dies or becomes disabled. Started in 1937, the system now provides benefit payments to 44 million Americans per month and collects taxes from 150 million workers.

Social Security is funded through payroll taxes. It's a "pay-as-you-go" system because today's contributions are paying for today's recipients.

This system provides benefits that are lifelong, guaranteed and protected against inflation. We're all involved in the system — having grandparents or parents who are recipients, paying into the system or receiving benefits ourselves.

Social Security is a very important source of retirement income, and it is also the most effective anti-poverty program in our history.

While Social Security should guarantee full benefits for future generations, it faces a financial shortfall over the long term — and most young people don't think it will be there when they need it.

COMMENTARY

C.J. Gabbe

Politicians who won't commit to protecting full benefits for future generations are jeopardizing the financial security of all Americans. Politicians who want to privatize Social Security will ultimately destroy this guarantee by diverting money it needs to pay full benefits.

While some people believe that Social Security is on the verge of bankruptcy, the current system is solvent until at least 2034, according to current projections. At this point, the system would only be able to pay about 75 percent of full benefits. There are several ways that we can extend the life of Social Security and guarantee full benefits well into the future.

Social Security has never missed a paycheck, and it never has to — if Congress will act now. Full benefits can be guaranteed for all Americans if Congress will take steps to extend the life of the Trust Fund by making payroll taxes fair and using the budget surplus to protect Social Security. Currently, workers are not taxed on earnings more than \$72,600. That means that a worker making \$72,600 pays the exact same Social Security taxes as one making \$250,000. Not only is this unfair, but raising the cap would add years of solvency to the Social Security Trust Fund. We can also make sure Congress prioritizes the budget surplus to protect Social Security. Social Security should be protected now because young people deserve to know that Social Security will be there when they need it.

Privatization has been introduced as a possible way of solving the perceived Social Security crisis. However the proposals that would create individual accounts for workers cause more problems than they would solve.

This would require young workers to invest most or all of their Social Security contributions in the stock market and other investments. Not only would this destroy the current system

that guarantees benefits to workers, but it would also be risky. In addition, this gives people from more privileged backgrounds an advantage because they have had more experience with investments and money management than the typical working class or lower-income American. Some Americans will benefit greatly from privatization, but most others will be left in the dust.

Recent privatization proposals would also raise the retirement ages for Americans well beyond 70, cut disability benefits, increased payroll taxes and increase the federal deficit. This is unacceptable. Social Security was never created as the only program for those who retire, become disabled or lose a loved one. It was designed to be a supplement to retirement plans and private insurance, and a safety net for those in need.

Studies show that young people are not apathetic about the Social Security system. A poll conducted in May by the Peter Hart Research Associates revealed that among 18- to 34-year-olds, strengthening and protecting Social Security was a key priority. Eighty-six percent of those polled said Congress should not cut benefits or raise the retirement age for the purpose of funding individual investment accounts, while an additional seventy-three percent said that Social Security "can work for young people when they retire if Congress will strengthen the system's finances."

We're all involved in the system, and we can all be involved in the effort to strengthen Social Security. Students on this campus and students around the country are getting ready to be involved in the effort. If you're interested in finding out more information or ways you can help the national effort, please contact me (c.gabbe@gladstone.uoregon.edu) or the 2030 Center (www.2030.org). It's our future — and it's up to us to make a difference.

C.J. Gabbe is the regional director for the U.S. Student Association. His views do not necessarily represent those of the Emerald.

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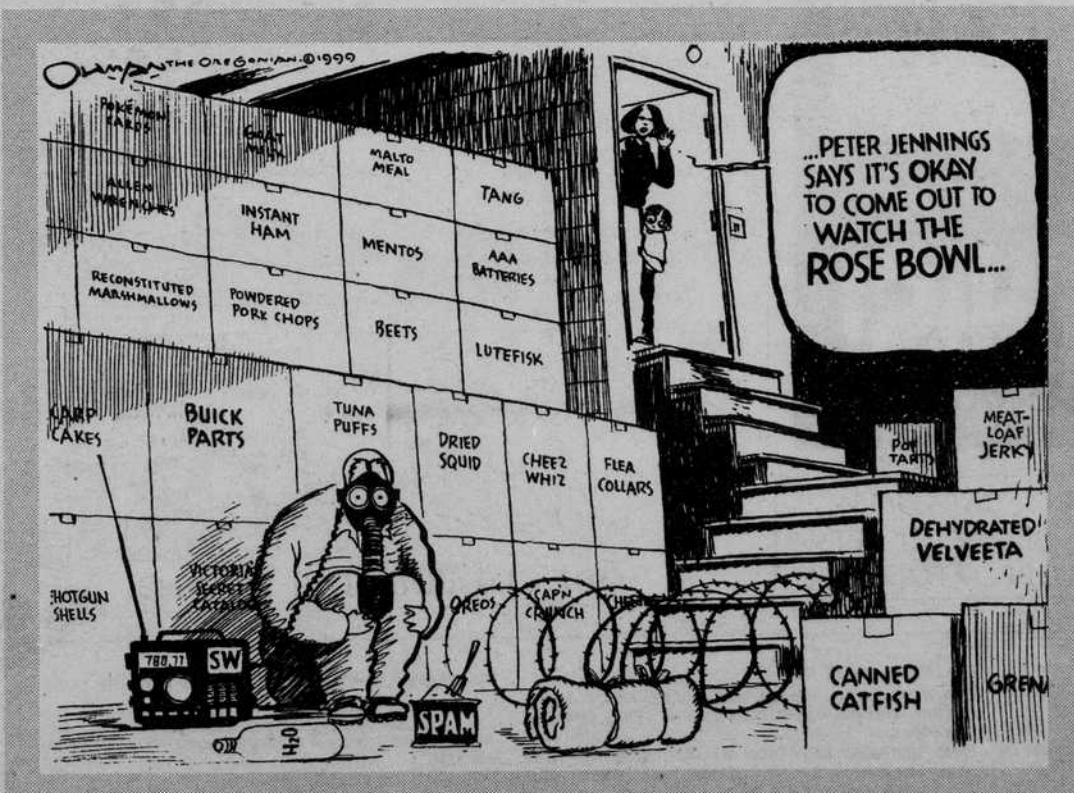
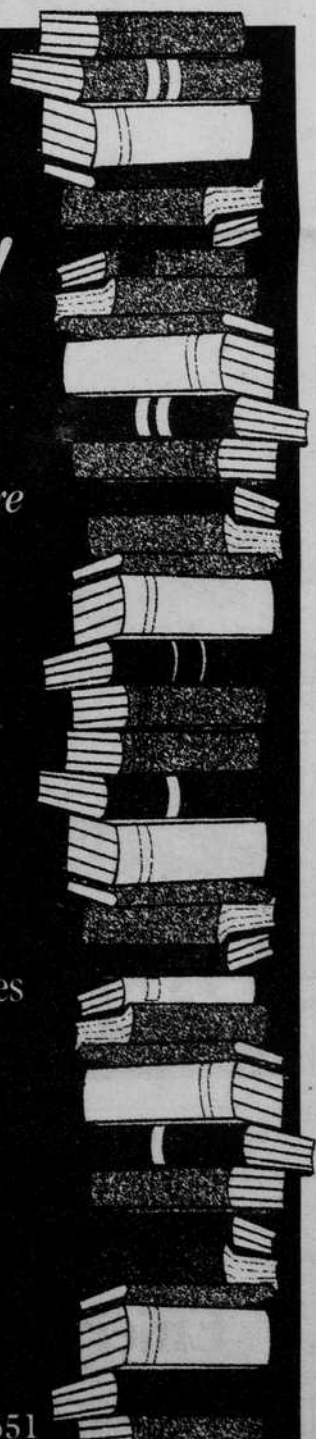
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