



## The most important thing to know about Social Security is that it's insurance

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Aug. 29, 2010 (The Boston Globe delivered by Newstex) -- Perhaps nothing gets some people madder than if you dare to talk about Social Security.

I frequently get mail from folks who think it's just a government Ponzi scheme. Eventually, the con collapses when not enough new money comes in to settle up with existing participants.

Critics say the explanation fits because as the population ages, the cost to run the entitlement program will outpace revenues. Dedicated resources are projected to be insufficient in 2039, the Congressional Budget Office says.

The discussion about what to do can get very ugly.

President Franklin Roosevelt signed the Social Security Act in 1935. Since then, it has unquestionably kept millions of people - most importantly, the elderly and disabled - from the depths of poverty.

Social Security is not a Ponzi scheme. Nor are people milking it to live the high life. How many people could live richly off \$1,000 a month, the current average monthly benefit?

If we cut Social Security, what do we say to the people who have worked hard all their lives but don't have enough saved to take care of themselves in their old age?

What do you say to someone who has become disabled and can't work?

What about the children left behind by the death of a parent?

Should we say, "Sorry bud, you're just trying to milk America?"

Look at some facts from the AARP Public Policy Institute:

Twenty-three percent of older Americans live in families that depend on Social Security for 90 percent or more of family income.

Social Security provides crucial income to women and minorities. Twenty-nine percent of older African-Americans and 26 percent of Hispanics rely on it for 90 percent or more of family income.

Fifty-three percent of women 65 and older count on Social Security to provide 50 percent or more of family income.

As people get older, they rely more on Social Security. For example, among those 65 to 69, almost 16 percent count on Social Security to provide 90 percent or more of family income. For those 75 to 79, the figure rises to 25 percent.

If you have any doubt how important this program is, read the personal stories the Social Security Administration has been collecting in honor of the program's 75th anniversary. You can find the stories on the agency's website.

Social Security has some major funding issues, but it's not a con.

It is a social insurance program that was never intended to be any individual's personal savings or investment account.

This remarkable social safety net is the cost we bear as a civilized society.

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