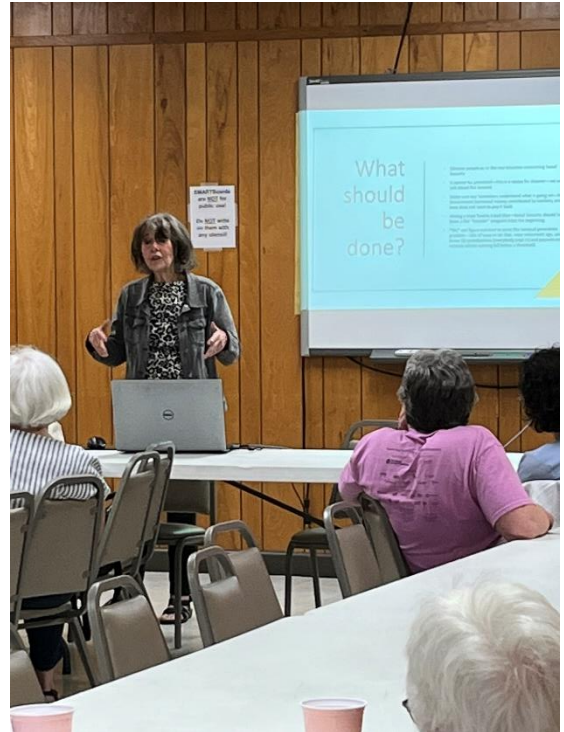


## The Future of Social Security: Facts and Myths

May 22<sup>nd</sup> 2023 – Clinton Community Center

Milly Taylor gave us a lot of food for thought, on top of our full and happy potluck tummies.

She laid out the history of Social Security back to its creation in 1935 in the wake of the Depression and bank failures, and the program's Social Security Trust Fund to manage the money. Milly showed the years with cash flow surplus (most) and deficits in and out of the Trust Fund, and the law that governs how surpluses are handled. The law stipulates that surpluses are invested in US Government Bonds, which are seen as providing a modest interest payment and safety/stability for the funds. An investment in a Government Bond, is essentially, a loan to the Federal Government in return for a modest interest payment and the return of the funds when the bond matures. The Social Security Trust Fund currently has \$2.8 trillion dollars invested in Government Bonds.



But therein lies the problem: for years the Federal Government has understated the national debt because it did not count the Social Security Trust Fund debt. Now there are people in Congress who want to change the rules so they don't have to pay the money back to the Social Security Trust Fund, as well as FDIC and other funds that operate with the same rules.

The bottom line is that the US Government borrowed money contributed by workers into the Social Security Trust Fund, and now the Government doesn't want to pay it back. If the money is repaid the Social Security Trust Fund will have adequate money to get us past the large number of Baby Boomers moving through the program.

Milly showed an information packed slide deck with her presentation. She will make the deck available so you can really dig into the detail she provided.