

Weekly Newsletter

When Will Social Security Go Broke?



I'll be turning 63 on Friday the 13th next month. Some might say that's unlucky—I also turned 13 on Friday the 13th in 1974—but I've been pretty fortunate in life and have accomplished many things. As I'm getting closer to retirement age, I've been receiving notices about Social Security and Medicare. As a candidate for public office I requested a briefing on Social Security, which I recently sat in on. It was eye opening!



✧ ✧ The combined Social Security and Medicare programs are unsustainable and will be insolvent sooner than most of us realize. Although most citizens have paid into Social Security all of their lives, some experts predict that the trust funds that benefits are paid from will run out as early as 2033! This day of reckoning has been known for many years, although lawmakers have not worked together to tackle the problem.

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Failure to act is partly driven by politicians' awareness that even the suggestion of touching these benefits leads to certain political backlash; however, a 21% decrease in benefits would have to occur soon just to keep Social Security afloat. This will be devastating to those who rely solely on these benefits, especially in an era of record inflation. However, it will likely be unavoidable if current and upcoming retirees are to receive any benefits at all. (See this article for details:

<https://www.cbsnews.com/news/social-security-benefits-cut-2035-trust-fund-trustees-report/>)

When republicans call this unpleasant fact to light, democrats label them Social Security killers who want to "push grandma off the cliff." Meanwhile, democrats have no plan but to let these programs run aground and fail completely. Anything republicans do to try to slow the implosion and save the program allows democrats to use it as an attack against their rival party, as noted in this article:

<https://www.politifact.com/factchecks/2023/nov/29/joe-biden/is-joe-biden-right-that-republicans-would-cut-social-security/>



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Meanwhile, many seniors still work to supplement their incomes, whether by choice or necessity. The current rules penalize those who work and earn over a certain amount. Any reduction in benefits will make these penalties an even bigger problem, especially in an environment where everything costs more. One solution is to allow retirees to work without penalties as long as unemployment is below 5% in their respective states.

Another way to extend the timeline before Social Security becomes insolvent is to prevent fraud. Fraudsters steal money from the system by making false statements on claims, concealing facts that affect eligibility for benefits, misusing benefits (by a representative payee), failing to notify the agency of the death of a beneficiary while continuing to receive the deceased person's benefits, and other fraud schemes. In Congress, I will support a comprehensive audit of Social Security and Medicare to help stop fraud.

The bottom line is that the end is near for Social Security. The democrats' push to give Medicare to undocumented immigrants and to provide mass amnesty to millions will bring these combined programs to insolvency even sooner. Will elected officials step up and do something to ease the pain caused by the impending failure of these programs, or can we expect a hard landing?