



Written by [Michael Tennant](#) on October 6, 2012

Obama: “Social Security Is Structurally Sound”

“Social Security is structurally sound,” President Barack Obama declared during the October 3 presidential debate in Denver.

Apparently the president has yet to peruse this year’s [annual report](#) from the Social Security trustees. It would also seem that neither his opponent, Mitt Romney, nor the debate moderator, Jim Lehrer, has read the report for neither challenged him on this ludicrous statement.



The report is, it must be admitted, rather lengthy, but one need only turn to page four to find this staggering statistic: “The open group unfunded obligation for OASDI [Old-Age, Survivors, and Disability Insurance] over the 75-year [projection] period is \$8.6 trillion in present value and is \$2.1 trillion more than the measured level of a year ago.” That is, over the next 75 years the government is expected to pay \$8.6 trillion more in benefits than it takes in via payroll taxes; and that unfunded liability is growing rapidly as 10,000 baby boomers turn 65 every day and the economy sputters.

The program is already running annual deficits. FDR’s unconstitutional Ponzi scheme first went into the red in 2010. “In 2011,” wrote the trustees, “Social Security’s cost continued to exceed both the program’s tax income and its non-interest income, a trend that the trustees project to continue throughout the short-range period and beyond. The 2011 deficit of tax income relative to cost was \$148 billion, and the projected 2012 deficit is \$165 billion.”

Despite these severe problems with Social Security, when Lehrer asked Obama if he saw “a major difference between” Romney and himself on the program, Obama [replied](#), “You know, I suspect that on Social Security, we’ve got a somewhat similar position. Social Security is structurally sound. It’s going to have to be tweaked the way it was by Ronald Reagan and Speaker — Democratic Speaker Tip O’Neill. But it is — the basic structure is sound.”

Obama was correct on one count: He and Romney have very similar positions on Social Security — and, he might have added, on practically [every other substantive matter of policy](#). However, as the figures from the trustees’ report show, he was dead wrong when it came to the soundness of Social Security.

The program’s soundness was never much of a priority as far as politicians, particularly Democrats, were concerned. Otherwise the first recipient of a Social Security check, [Ida May Fuller](#), would never have collected in benefits almost 925 times the amount she contributed in payroll taxes; and Congress would never have raided the Social Security trust fund to pay for other unconstitutional programs, leaving nothing but IOUs that the program is now cashing in — and that the Treasury has no way of paying short of issuing more bonds or having the Federal Reserve whip up more cash. What mattered to the denizens of D.C. was creating a large class of Americans who were dependent on the federal government and would reliably vote for the politicians who had made — and promised to keep — them that way.

Social Security has been “tweaked” over and over again, almost since its inception, yet it remains in peril. The payroll tax that funds the program was initially set at two percent of an employee’s income



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(with the fiction that his employer was paying half of that), gradually rising to six percent in 1949. “That is the most you will ever pay,” a [1936 government-issued pamphlet](#) stated.

Since then the tax has been hiked to a combined 12.4 percent; the retirement age has been increased; and the ceiling on taxpayer contributions, originally \$3,000 a year, has been raised. The 1983 amendments to which Obama referred — the last major reform of Social Security — accelerated the payroll tax rate increase, added more employees to the system, increased the full-benefit retirement age, and made benefits taxable. This was done in part to keep the program from collapsing when the baby boomers retired; but here we are at the very beginning of the boomers’ golden years, facing precisely such a collapse. Given this history, Obama’s suggestion that tweaking the system once more will shore it up for the long term is almost as laughable as his assertion that the program is “structurally sound.”

Either Obama is really as clueless about Social Security as he sounds, or he was lying when he said the program was not in grave danger of imploding. Neither, one would think, is a particularly attractive trait in a president. That his main opponent likewise [claims](#) that the program can — and should — be saved with some minor adjustments suggests that voters, too, are either ignorant of Social Security’s looming crash or prefer to be lulled into a false sense of security with promises of easy solutions to difficult problems.

Photo of President Obama at the Oct. 4 debate in Denver: AP Images

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