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Social insecurity

Candidate Larsen raises an issue incumbent office holders don't want to touch.

**By Leo Morris
for the editorial board**

William Larsen thinks Social Security is so broken that it can never be fixed. So he would just end it, spending accrued assets to take care of current retirees for a time, and replace it with a needs-based, federal version of poor relief.

That's a little drastic. Politicians will vote to end Social Security about the time they decide to repeal the income tax: one day past forever.

But Larsen deserves credit for tackling an issue elected politicians -- including Republican 3rd District U.S. Rep. Mark Souder -- won't touch. By bringing it up in the battle to challenge Souder in the primary, he displays either enormous courage or enormous foolhardiness or both.

Whether the system can be fixed is a matter of considerable debate -- Federal Reserve Chairman Alan Greenspan was the latest to say it can be tweaked into shape by trimming benefits and moving the retirement age ahead. That the system is broken cannot really be argued.

Larsen is a mechanical engineer who has made a lifelong study of Social Security, so his recitation of the issues tends to overwhelm the listener with mind-numbing sets of numbers and projections. But he makes two very clear points:

1. The present value of assets is about \$1.7 trillion, but the present value of accrued obligations exceeds \$12 trillion. That means if Social Security were a funded pension plan, it would "need to hold over \$12 trillion worth of assets." To get that much money, every worker would need to take a 16.4 percent wage cut for 40 years. We could also make it work by each of us just giving the government about \$87,000. Put it still a third way: To make the program work over the long term would require Social Security to raise taxes by 85 percent or cut benefits by 40 percent.
2. Economic prosperity will not do anything to help the problem. Initial benefits are based on average lifetime-indexed wages, so the more people earn in this country, the more they will be due from Social Security. "For example, if wages were to rise 5 percent this year, the initial benefit for future retirees would also be 5 percent greater." In simple terms, "economic growth will not save Social Security," and in technical terms, "increased economic growth makes funding Social Security worse."

When Larsen tried to make Social Security an issue in the congressional race two years ago, he made barely a ripple. This time, he says, he is getting much more interest.

The numbers in the voter pool alone make his claim credible: There are about 37 million people over 62 in this country. There are 116 million under 46. Sooner or later, millions of those younger potential voters are going to start paying attention to people like Greenspan and Larsen.

Larsen is by no means a single-issue candidate. When he moves away from Social Security, he sounds very much like a typical conservative Republican: Keep defense strong and government intrusion minimal, define marriage as between one woman and one man, enact school vouchers and keep our personal freedoms intact.

But on this one issue, he is an expert. He might not make an incumbent like Souder sweat too much, but he is doing a valuable service for the voters. Political campaigns should be about ideas, and Larsen is sounding the alarm about one that cannot be ignored forever.

Three out of four households now pay more in Social Security taxes than they do in income taxes. And most of them don't get a very good deal. The Social Security tax is 6.2 cents on every dollar from salaries up to \$87,000. Anybody making over that gets a free ride, however many millions over \$87,000 earned.

Those aren't just middle-class taxpayers out there shouldering that burden. When they vote, they are called constituents.