

# Current retirees steal from today's workers

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## LETTER

Robert D. Volk is upset that notch babies are getting smaller Social Security checks than those who retired before them. He thinks President Reagan and Congress are stealing pennies from their checks. Truth be told, it is not congress that is stealing, but current retirees stealing from today's workers.

The initial tax rate for the first 13 years of the program was 2 percent. For a pay-as-go program the minimum tax rate should have been 8.2 percent raising to over 18 percent by 2050. Collectively, those born prior to 1938 paid \$2.51 Trillion in Social Security Old Age taxes. They have received \$6.47 Trillion in benefits. Over the next eighteen years this group currently retired will be paid an additional \$4.5 Trillion in benefits. For every \$1 in taxes paid, they received \$4 in benefits. They did not pay enough to fund their collective benefits. This is the root cause behind Social Security's problem. A person born in 1985 is projected to receive 29 cents back for every dollar paid to Social Security including credited interest.

"Today's beneficiaries are not living off financial assets accumulated in the past. Today's workers are not accumulating financial assets for the future. Workers invest their payroll taxes not in financial assets but in the willingness of future politicians to tax future workers to pay future benefits."

President's Commission to Strengthen Social Security, Interim Report August, 2001, page 10,  
<http://www.csss.gov/reports/Report-Interim.pdf>

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