SOCIAL SECURITY: THE GREAT PONZI SCHEME

"THE WHOLE GOVERNMENT IS A PONZI SCHEME."
Bernie Madoff

SOCIAL SECURITY:

THE GREAT PONZI SCHEME

By Ernest O'Dell

Why is Social Security called a Ponzi scheme, and why and how is it going bankrupt?

Whether Social Security is considered a Ponzi scheme depends on who you ask and how you define the term. Here's a breakdown of the arguments for and against:

Arguments for calling Social Security a Ponzi scheme:

- **Pay-as-you-go system:** Social Security operates on a "pay-as-you-go" system, meaning current workers' contributions directly fund benefits for current retirees. This resembles how Ponzi schemes use money from new investors to pay off earlier ones.
- **Dependence on new entrants:** The system relies on a growing workforce to pay into the system, which raises concerns about sustainability as the population ages and birth rates decline.
- **Lack of investment returns:** Unlike private retirement investment plans, Social Security funds are not invested in the market, meaning they don't generate returns to grow the system's reserves.
- **Potential for insolvency:** Projections suggest the Social Security trust funds could be depleted by 2035, causing benefit cuts if not addressed.

Arguments against calling Social Security a Ponzi scheme:

- **Government backing:** Social Security is a government program, not a private investment scheme. It has the full faith and credit of the U.S. government, meaning it can't simply collapse like a Ponzi scheme. (However, it can also be argued the the U.S. Government has lost its “full faith and credit” a long time ago.
- **Social purpose:** Social Security is not primarily intended for individual

investment but serves a broader social goal of providing retirement income security.
- **Transparency and oversight:** The Social Security Administration operates transparently with regular audits and public reports.
- **Potential for reform:** Congress can implement reforms to address the system's long-term financial challenges, unlike a Ponzi scheme which is inherently unsustainable.

Why and how is Social Security going bankrupt?

The Social Security Administration projects that the trust funds will be depleted by 2035 if no changes are made. This is due to several factors, including:

- **Aging population:** The number of retirees is growing faster than the number of workers contributing to the system.
- **Declining birth rates:** Fewer young people are entering the workforce to replace retiring workers. *(This certainly smells like a Ponzi scheme to me. If you don't see a problem with this, then you need to check your coffee and see if someone spiked it.)*
- **Rising life expectancy:** Retirees are living longer, collecting benefits for a more extended period.

These factors lead to a situation where there won't be enough incoming contributions to cover the costs of paying out benefits to current and future retirees.

What can be done to address the issue?

Several proposed solutions include:

- **Increasing the payroll tax rate:** This would generate additional revenue for the system.
- **Raising the retirement age:** This would allow the system to collect more contributions and pay out benefits for a shorter period.
- **Reducing benefits:** This could involve lowering monthly payments or adjusting the cost-of-living adjustments.
- **Investing Social Security funds:** This could potentially generate returns to help grow the system's reserves.

It's important to note that any changes to Social Security would require Congressional action and likely face significant debate. *(Why do we even bother* *re-electing these clowns, and paying them?)*

Ultimately, the future of Social Security depends on a number of factors and policy decisions. It's important to understand the different perspectives on the program and be informed about the potential challenges and solutions. **Leaving it to the policymakers to fix it isn't the solution to the problem.**

What are some of the myths about Social Security benefits?

There are several common myths about Social Security benefits that can lead to confusion and misinformation. Here are some of the most prevalent myths and the facts to clarify them:

Myth 1: You must claim your Social Security benefit at age 62.

Fact: While you can claim benefits as early as age 62, doing so will result in a permanent reduction in your monthly payments. The full retirement age for Social Security is between 66 and 67, depending on your birth year. Claiming benefits at your full retirement age will maximize your monthly payments.

Myth 2: You'll never get back all the money you put into the program.

Fact: Social Security is a pay-as-you-go system, meaning that current workers' contributions directly fund benefits for current retirees. However, the system is designed to provide a positive lifetime return for most workers. Over time, you will receive more in benefits than you paid in contributions.

Myth 3: My ex-spouse's actions could negatively impact my Social Security benefit.

Fact: Your ex-spouse's Social Security benefits are independent of yours. Their actions, such as claiming benefits early or filing for divorce, will not affect your benefits.

Myth 4: Your benefits are based only on wages you've earned before age 65.

Fact: Social Security benefits are calculated based on your highest 35 years of earnings, regardless of when they were earned. This means that continuing to work after age 65 can increase your benefits.

Myth 5: Social Security benefits are not taxed.

Fact: Up to 85% of your Social Security benefits may be taxable if your combined income exceeds certain thresholds. You can estimate your potential tax liability using the Social Security Administration's online calculator.

It's important to rely on credible sources of information when learning about Social Security benefits. The Social Security Administration's website and publications are excellent resources for accurate and up-to-date information. **However, since they are a government branch, are they neceSocial Security Administrationrily reliable? Much less credible?**

What is the government's deliberate confusion scheme about Social Security, and what can American workers do to protect themselves?

The term "*deliberate confusion scheme*" is often used by critics of Social Security to describe the complex and sometimes misleading way in which the program is communicated to the public. They argue that this complexity makes it difficult for Americans to understand their benefits and make informed decisions about their retirement planning.

Some specific examples of alleged confusion tactics include:

- **Using multiple terms for the same thing:** For example, Social Security uses the terms "full retirement age," "early retirement age," and "retirement age," all of which have different meanings and can be confusing.
- **Hiding important information in complex documents:** The Social Security Administration's website and publications are often filled with jargon and technical terms that can be difficult for the average person to understand.
- **Making it difficult to access information:** The Social Security Administration's online tools and services can be difficult to navigate, and wait times for phone and in-person assistance can be long.

These alleged tactics can lead to confusion and frustration among Americans, making it difficult for them to understand their benefits and plan for retirement.

What can American workers do to protect themselves?

Despite the alleged confusion, there are steps that American workers can take to protect themselves and make informed decisions about their Social Security benefits:

1. **Educate themselves:** Use credible sources of information, such as the Social Security Administration's website and publications, to learn about your benefits.
2. **Create a Social Security account:** Sign up for a My Social Security account to track your earnings history, estimate your future benefits, and manage your retirement savings.
3. **Seek professional advice:** Consider consulting with a financial advisor or retirement planner to get personalized advice about your Social Security benefits and overall retirement planning.
4. **Plan for the future:** Don't rely solely on Social Security to provide for your retirement. Make sure you have other sources of retirement income, such as savings, investments, a pension plan, or an online “side hustle” to supplement your income.
5. **Advocate for reform:** If you have concerns about the future of Social Security, get involved in advocating for reforms that will ensure the program's long-term viability. Run for elected office.

Why are survivor benefits rarely paid out?

There are several reasons why **survivor benefits are not as widely paid out** as other Social Security benefits. Here are some of the most prominent factors:

1. **Eligibility Requirements:** Survivor benefits are only available to specific family members of deceased workers who meet certain eligibility criteria. These include surviving spouses, divorced spouses under certain circumstances, and unmarried children under age 18 or disabled.
2. **Claiming Process:** The process of claiming survivor benefits can be complex and time-consuming. It involves gathering documentation, completing forms, and potentially attending interviews. This complexity can discourage some eligible individuals from pursuing benefits.
3. **Benefit Reductions for Early Claiming:** Survivor benefits are typically reduced if claimed before the full retirement age. This can make them less attractive to some eligible individuals, especially those who have other sources of income or financial support.
4. **Lack of Awareness:** Many people are not fully aware of the availability of survivor benefits or the eligibility requirements. This lack of awareness can lead to missed opportunities for those who could qualify for benefits.
5. **Financial Considerations:** Survivor benefits are intended to supplement, not replace, other sources of income for survivors. Some individuals may not need the additional income and choose not to claim benefits.
6. **Work Credits Requirement:** The deceased worker must have accumulated

enough work credits to qualify for Social Security benefits. This requirement can limit the availability of survivor benefits.

7. **Death Certification Requirements:** The death of the worker must be documented and certified with appropriate documentation. This requirement can sometimes be a hurdle for survivors.
8. **Dependency Requirements:** Some survivor benefits, such as those for children, may require proof of dependency on the deceased worker. This requirement can be difficult to establish in certain cases.
9. **Estate Considerations:** Survivor benefits may be affected by the deceased worker's estate and inheritance arrangements. This can add complexity to the claiming process.
10. **Limited Outreach and Education:** There may not be enough outreach and education efforts to inform potential survivors about their eligibility for benefits and how to claim them. This can lead to underutilization of the program. Addressing these issues and improving awareness, simplifying the claiming process, and expanding outreach could help increase the utilization of survivor benefits and ensure that more eligible individuals receive the support they deserve.

How does the government legally steal Social Security benefits upon your death?

While the term "*legally steal*" is a subjective and emotionally charged expression that does not accurately reflect how Social Security benefits are handled upon a person's death.

The government does not confiscate or seize benefits; rather, it follows established legal guidelines to distribute them to eligible survivors.

When a Social Security beneficiary passes away, their benefits are not automatically terminated. Instead, the Social Security Administration (Social Security Administration) determines whether any eligible survivors are entitled to receive a portion of the deceased's benefits. This process is guided by specific laws and regulations that ensure a fair and equitable distribution of benefits.

If the deceased worker had a surviving spouse, divorced spouse under certain circumstances, or unmarried children under age 18 or disabled, these individuals may be eligible for survivor benefits. The amount of benefits each survivor receives depends on their relationship to the deceased worker and their own age and financial circumstances.

In some cases, the Social Security Administration may withhold a portion of the deceased worker's benefits to recover any overpayments that were made before their death. This is done to ensure that the program's funds are used responsibly and that benefits are not paid to those who are not entitled to them.

The Social Security Administration's handling of Social Security benefits upon a person's death is governed by federal laws and regulations designed to protect the interests of both the deceased worker and their eligible survivors. The process is not intended to "steal" benefits but rather to distribute them fairly and in accordance with the law.

When Will Your Social Security Payment Stop?

Social Security payments typically continue for the lifetime of the beneficiary, provided they meet certain eligibility requirements.

However, there are a few scenarios where Social Security payments may stop:

1. **Death of the beneficiary:** Upon the death of the beneficiary, Social Security payments will cease. However, eligible survivors, such as spouses, children, or dependent parents, may be entitled to receive survivor benefits.
2. **Voluntary suspension:** Beneficiaries who have reached full retirement age but are not yet age 70 may choose to voluntarily suspend their retirement benefit payments. This can be done for strategic reasons, such as waiting until age 70 to maximize benefits.
3. **Earnings exceed certain limits:** If a beneficiary engages in substantial employment and their combined income exceeds certain thresholds, their Social Security benefits may be reduced or temporarily suspended. This is intended to ensure that benefits are directed to those with the greatest financial need.
4. **Failure to report foreign income or residence:** Beneficiaries who live outside the United States or have substantial foreign income may face restrictions on their Social Security benefits. They are required to report these changes to the Social Security Administration to maintain eligibility.
5. **Fraud or misrepresentation:** If a beneficiary is found to have engaged in fraud or misrepresentation to obtain benefits, their payments may be stopped and they may be subject to penalties.
6. **Involuntary suspension or termination:** In rare cases, the Social Security Administration may suspend or terminate benefits if a beneficiary fails to comply with reporting requirements, engages in criminal activity, or provides false information.

It is important to note that these are general guidelines, and specific circumstances may vary from case to case. Beneficiaries should consult with the Social Security Administration or their personal financial advisor for personalized information about their benefits and potential changes to their eligibility.

Why are people benefiting from Social Security when they've never paid into it?

There are several reasons why people may receive Social Security benefits even if they have never personally paid into the system.

These include:

1. **Spousal benefits:** A spouse of a Social Security beneficiary may be eligible for benefits based on their spouse's earnings record. This is intended to provide support for spouses who have dedicated themselves to household responsibilities and may not have had the opportunity to accumulate their own work credits.
2. **Survivor benefits:** Surviving spouses, children, and dependent parents of deceased Social Security beneficiaries may be eligible for survivor benefits. This is intended to provide financial assistance to those who have lost a loved one who was contributing to their support.
3. **Disability benefits:** Individuals who become disabled before reaching retirement age may be eligible for Social Security disability benefits, regardless of their past earnings history. This is intended to provide support to those who are unable to work due to a disability.
4. **Credits from a spouse's work:** If an individual's spouse worked and earned enough credits, those credits can be applied to the individual's record, even if they did not personally contribute. This can help them qualify for benefits based on their spouse's earnings.
5. **Government pension offset:** In some cases, individuals who receive a government pension may have their Social Security benefits reduced or eliminated. However, there are provisions that allow certain individuals to receive both benefits, even if they have never personally paid into Social Security.
6. **Windfall elimination provision:** In rare cases, individuals who receive a pension from a job that was not covered by Social Security may have their Social Security benefits reduced. However, there are provisions that exempt certain individuals from this reduction.

These provisions are designed to provide a social safety net for individuals who may not have had the opportunity to contribute to Social Security through their own earnings. They also recognize the contributions of spouses and dependents who may have supported the beneficiaries during their working years.

It is also important to note that the eligibility requirements and benefit amounts for these categories of beneficiaries may vary. Individuals should consult with the Social Security Administration or their financial planner for personalized information about their eligibility and benefits.

Why are illegal aliens benefiting from Social Security when they've never paid into it?

> *While the term "illegal aliens" is an emotionally and politically charged phrase, it still holds true that if an "undocumented immigrant" enters into the United States while circumventing legal venues, then they have broken our laws, and are, therefore, illegal. But, that's a debate for another time...*

The issue of undocumented immigrants receiving Social Security benefits is a complex and very controversial one. There are a number of factors to consider when examining the question of illegal aliens. Call them "undocumented immigrants if you wish, but they're still here... illegally.

It's important to note that undocumented immigrants generally are not eligible for Social Security benefits. However, there are a few exceptions to this rule.

For example, undocumented immigrants who are married to U.S. citizens or have children who are U.S. citizens may be eligible for certain benefits. Additionally, some undocumented immigrants may have worked in jobs that were covered by Social Security and may be eligible for benefits based on those earnings. *(Does this sound like "anchor babies"?)*

It is estimated that undocumented immigrants contribute billions of dollars to the Social Security system each year through payroll taxes. However, they are generally not eligible to receive benefits from the system. This means that undocumented immigrants are effectively subsidizing the benefits of other Social Security beneficiaries.

There are a number of arguments <u>for and against</u> allowing undocumented immigrants to receive Social Security benefits. Those who support allowing undocumented immigrants to receive benefits argue that it is only "*fair*" that they should be able to receive benefits based on the taxes they have paid into the system. They also argue that providing benefits to undocumented immigrants would help to reduce poverty and improve the overall well-being of the community.

I beg to differ. If they are here illegally, then “fairness” shouldn't be a part of the equation, nor a construct in the debate.

Those who oppose allowing undocumented immigrants to receive benefits argue that it would be unfair to taxpayers to allow people who have not paid into the system to receive benefits. They also argue that providing benefits to undocumented immigrants would encourage more people to immigrate illegally.

The issue of undocumented immigrants receiving Social Security benefits is a complex one with no easy answers. There are a number of factors to consider, and there are strong arguments to be made on both sides of the issue.

Ultimately, the decision of whether or not to allow undocumented immigrants to receive Social Security benefits is a political one that will need to be made by Congress.

Why can't taxpayers in the Social Security system decide on who should be their beneficiaries?

While it may seem appealing to allow taxpayers to directly decide who should be their beneficiaries under the Social Security system, there are several reasons why this is not feasible or desirable:

Administrative complexity: It would be extremely difficult to manage a system where taxpayers could individually decide who receives Social Security benefits. This would require a massive bureaucratic effort to track and verify eligibility for millions of beneficiaries.

Individual biases and conflicts: Allowing taxpayers to choose beneficiaries could lead to significant biases and conflicts. Individuals may make decisions based on personal preferences, relationships, or even prejudices, rather than objective criteria.

Potential for fraud and abuse: A system where taxpayers choose beneficiaries could be vulnerable to fraud and abuse. Individuals may attempt to manipulate the system to benefit themselves or their families.

Erosion of social safety net: Allowing taxpayers to choose beneficiaries could erode the social safety net that Social Security is intended to provide. The system is designed to provide support for all eligible individuals, regardless of their individual circumstances.

Undermining the principle of Collective Responsibility: Social Security is based on the principle of "*collective responsibility*", where everyone contributes to the system and everyone benefits from it. Allowing taxpayers to choose beneficiaries would undermine this principle and could lead to a system where only certain groups of people receive benefits.

Legal challenges: A system where taxpayers choose beneficiaries could face legal challenges based on the equal protection clause of the Fourteenth Amendment. It is difficult to imagine a system that would allow taxpayers to make arbitrary decisions about who receives benefits without violating this principle.

Instead of relying on individual taxpayer decisions, the Social Security system is designed to be administered by a neutral third party, the Social Security Administration (Social Security Administration). The Social Security Administration is tasked with ensuring that benefits are distributed *fairly and equitably* based on established eligibility criteria. This approach helps to maintain the integrity of the program and ensures that it provides a safety net for all eligible individuals.

Is "collective responsibility" a communist construct?

The concept of "collective responsibility" is not inherently communist. While it is often associated with communist ideologies, it has roots in various social and political theories, and its application can be found in a wide range of contexts, including non-communist societies.

In its most basic sense, collective responsibility refers to the idea that a group or community bears responsibility for the actions or well-being of its members. This can manifest in various ways, such as through shared values, mutual support, or collective action.

Communism, as a political and economic system, emphasizes collective ownership of the means of production and collective decision-making. In this context, collective responsibility becomes a central tenet, as individuals are seen as part of a larger collective and their actions have implications for the entire group. *(Sounds suspiciously similar to the Borg Collective in Star Trek... but I digress.)*

However, collective responsibility also exists in non-communist societies. For instance, families, tribes, and even nations often operate under a sense of collective responsibility, where individuals are expected to contribute to the well-being of the group or face consequences if their actions harm the collective.

The concept of collective responsibility can be both positive and negative. It can foster a sense of unity, cooperation, and social cohesion. However, it can also lead to group-think, scapegoating, and individual accountability being overshadowed by collective blame. *(Have your forgotten George Orwell's "1984"?)*

Ultimately, the evaluation of collective responsibility depends on the specific context and how it is applied. It can be a powerful tool for promoting social solidarity and collective well-being, but it also carries the potential for misuse... **and injustice**.

Why aren't Social Security accounts individualized and safeguarded?

There are several reasons why Social Security accounts are not individualized and safeguarded in the same way as private retirement accounts:

Historical Context: Social Security was established in the 1930s as a social safety net program, not as a private investment system. At the time, the concept of individual accounts was not widely considered or feasible.

Administrative Complexity: Individualizing and safeguarding Social Security accounts would create a massive administrative burden for the government. It would require a complex system for tracking individual accounts, managing investments, and ensuring security against fraud and errors.

Financial Considerations: Individualizing accounts would require a significant upfront investment to create the necessary Social Security Administration infrastructure and systems. It would also raise concerns about the potential for market fluctuations and losses, which could jeopardize the financial stability of the program.

Social Safety Net: Social Security is designed to provide a safety net for all eligible individuals, regardless of their personal circumstances or investment acumen. Individualizing accounts could potentially disadvantage those who are less financially savvy or have lower incomes.

Intergenerational Equity: Social Security is a pay-as-you-go system, where current workers' contributions directly fund benefits for current retirees. Individualizing accounts could disrupt this intergenerational transfer of wealth and potentially leave future generations with inadequate benefits.

Political Feasibility: Individualizing Social Security accounts has been a subject of heated debate for decades, and there is no consensus on the best approach. As long as you have political opponents in Congress, you'll probably never see anything done about it in your lifetime.

Any changes to the Social Security system would require significant political fortitude and compromise.

Given these considerations, the decision of whether or not to individualize Social Security accounts is a complex one with no easy answers. There are potential benefits and drawbacks to consider, and the ultimate decision would need to balance the needs of current and future generations.

Re-writing the laws as they are now would only further complicate an already complex and confusing system.

Why Does Congress Comingle Social Security Funds With The General Fund?

The comingling of Social Security funds with the general fund is a complex issue with a long history. There are several reasons why this practice has persisted, despite criticism from some quarters.

Historical Context: When Social Security was established in the 1930s, the concept of a separate trust fund was not widely considered. The government simply treated Social Security contributions as part of its general revenue.

Administrative Convenience: comingling funds allows the government to manage its balance sheets much like you would do when "kiting" money between one checking account, or one credit card account, into another to cover your financial derriere. Last time I read the law, "kiting" was considered illegal. Hmmm...

President Lyndon Baines Johnson (also known as LBJ) had the Social Security annuity fund transferred into the General Fund during his administration. Is that true or false?

The statement that President Lyndon Baines Johnson (LBJ) had the Social Security annuity fund transferred into the General Fund during his administration is false.

While LBJ still has a lot of "constituents", and while many of those constituents are dead, and many of them still vote in our elections... my grandfather was an old "Yellow Dog Democrat" and would vote for anything that ran on the Democrat ticket, he still hated LBJ. But his hatred for LBJ never changed his vote at the polls for the Democratic party in toto. He called LBJ a communist: not a socialist. Whether he was communist or socialist is still open for debate... but my grandaddy still voted for him while hating him. *(Is this a perfect example of Congnitive Dissonance and Disfunction?)*

The Social Security Trust Fund has never been "put into the general fund of the government." However, there is some confusion about this issue due to a change in the way that Social Security was treated in federal budget accounting in 1969.

Prior to 1969, Social Security was not included in the Unified Federal Budget. This means that Social Security's income and outgo were not counted when calculating the federal deficit or surplus. This was because Social Security was considered to be a self-financing program, and its finances were not directly tied to the general fund.

In 1969, President Richard Nixon signed the Social Security Amendments Act of 1969. This law, among other things, changed the way that Social Security was treated in the budget. Under the new law, Social Security's income and outgo were included in the unified budget. This means that Social Security's surplus or deficit was counted when calculating the federal deficit or surplus.

The change in accounting did not affect the way that Social Security was financed. The Social Security Trust Fund continued to exist, and Social Security's income and outgo were still separate from the general fund. However, the change in accounting did make it appear that Social Security was contributing to the federal deficit.

> *This is why some people mistakenly believe that LBJ transferred the Social Security Trust Fund into the General Fund. However, this is not the case.*

The Social Security Trust Fund has never been merged with the General Fund, and Social Security's finances are still separate from the general fund.

Here are some definitive details on this issue:

- The Social Security Trust Fund was created in 1939.
- The Social Security Trust Fund has never been "put into the general fund of the government."
- The Social Security Trust Fund is still a separate fund from the General Fund.
- The Social Security Trust Fund is not directly used to pay for current benefits. Instead, the Social Security Trust Fund invests in Treasury securities, and the interest earned on those investments is used to pay for benefits.

What did the government do with all the money they raided from Social Security?

The statement that the government "raided" the Social Security Trust Fund is misleading. The Social Security Trust Fund is a separate fund from the General Fund, and it has never been merged with the General Fund.

The Social Security Trust Fund is still used to pay for Social Security benefits, and the interest earned on the Trust Fund's investments is a major source of funding for the program.

However, the government does borrow from the Social Security Trust Fund. This borrowing is done through the issuance of special Treasury securities that are purchased by the Trust Fund. The government then pays interest on these securities to the Trust Fund.

The government borrows from the Social Security Trust Fund for a number of reasons. One reason is that Social Security's income from payroll taxes is not always enough to cover the program's expenses in the short term. Borrowing from the Trust Fund allows the government to smooth out the program's cash flow and avoid having to make sharp cuts in benefits.

Another reason the government borrows from the Social Security Trust Fund is that it allows the government to use Social Security's surplus funds to finance other government programs. This is because the government can borrow money from the Trust Fund at a lower interest rate than it can borrow money from private lenders.

The government's borrowing from the Social Security Trust Fund is a complex issue, and there is ongoing debate about whether or not it is a good idea. Some people argue that the government should not be allowed to borrow from the Trust Fund at all, while others argue that borrowing from the Trust Fund is a necessary Social Security Administration evil that allows the government to avoid making deep cuts into your Social Security benefits.

Here are some additional facts about the Social Security Trust Fund and the government's borrowing from the Trust Fund:

- The Social Security Trust Fund is expected to be depleted by 2034. This means that the government will need to find a new source of funding for Social Security benefits at that time.
- The government's borrowing from the Social Security Trust Fund is currently about $2.9 trillion.
- The government pays about $112 billion in interest on its borrowing from the Social Security Trust Fund each year.
- The above three points, and the fact that we have over $30 trillion dollars in debt (at the present time of this writing) should indicate that we have a "ticking time bomb" on our hands. *("Houston, we have a problem.")*

Does the government ever pay back the money it borrows from Social Security?

Yes, the government is required by law to repay the money it borrows from the Social Security Trust Fund, plus interest. The government repays these loans by issuing special Treasury securities to the Trust Fund. These securities are essentially IOUs that the government "promises" to pay back with interest over time.

The government has a long history of repaying its loans to the Social Security Trust Fund. In fact, the government has never missed a payment on these loans. This is because the government understands that the Social Security Trust Fund is a crucial source of funding for Social Security benefits, and that it is important to maintain the trust and confidence of Social Security beneficiaries.

Here are some additional facts about the government's borrowing from and repaying the Social Security Trust Fund:

- The government's borrowing from the Social Security Trust Fund is currently about $2.9 trillion.
- The government pays about $112 billion in interest on its borrowing from the Social Security Trust Fund each year.
- The government is expected to repay its loans to the Social Security Trust Fund in full by 2034.
- At this rate, if you're still alive in 2034, don't hold your breath...

Special Treasury securities are basically IOU's, but they are NOT payments. How can the government justify calling this a loan repayment when no real debt has been paid?

You're correct to ask that question. Special Treasury securities are essentially IOUs, and they don't represent direct payments in the sense of immediately reducing the government's outstanding debt. However, they do serve as a mechanism for the government to repay its loans to the Social Security Trust Fund.

When the government borrows from the Social Security Trust Fund, it issues Special Treasury securities to the Trust Fund. These securities are essentially promises from the government to pay back the borrowed money with interest over time. In essence, the government is exchanging one form of debt (its borrowing from the Trust Fund) for another form of debt (the Special Treasury securities).

This still sounds like a Ponzi scheme to me...

While this may not seem like a direct payment, it does serve to reduce the government's net debt position. This is because the government is now obligated to repay the Special Treasury securities to the Trust Fund, which will *eventually* replenish the Trust Fund's balance.

Eventually... but when?

Ten years from now?

Over the next 50 years?

Where will these clowns be in the next 10 to 50 years?

I think you already know the answer to that.

Anyway, the issuance of Special Treasury securities helps to manage the government's cash flow and avoid having to make large, immediate payments to the Social Security Trust Fund. This is important because Social Security's income from payroll taxes is not always enough to cover the program's expenses in the short term. Borrowing from the Trust Fund and issuing Special Treasury securities allows the government to spread out its repayments over time and avoid disrupting Social Security's cash flow.

While Special Treasury securities are not direct payments in the strictest sense, they do represent a form of loan repayment and serve to manage the government's debt obligations to the Social Security Trust Fund.

Has the government ever repaid any of its debt? Or are they just kicking the can down the road until the American workers wake up and revolt?

The question of whether or not the government has ever repaid any of its debt is a complex one. The United States government has a long history of borrowing money, and it has never defaulted on its debt obligations. However, the government has also never fully repaid its debt. Instead, it has rolled over its debt by issuing new debt securities to replace old ones. This practice is known as debt refinancing. *(Sounds like "kiting" again to me... but, whatever...)*

Debt refinancing can be beneficial for the government in several ways. It can allow the government to lower its interest payments, as interest rates have generally declined over time. It can also allow the government to extend the maturity of its debt, which can give it more time to repay its obligations.

However, debt refinancing can also have negative consequences. It can increase the government's overall debt burden, as it is essentially adding new debt to existing debt. It can also make the government more vulnerable to economic shocks, as rising interest rates can make it more difficult to service its debt.

In the case of the United States government, the overall debt burden has been increasing for many years. This is due to a number of factors, including the government's budget deficits, the costs of wars and other crises, and the aging of the population and lower birth rates. *(Think about all the future taxpayers, some 60 million over the past 50 years, who have had their lives terminated, who could have been contributing into the Social Security system... just a side thought.)*

The United States government's national debt is now over $30 trillion, and it is expected to continue to grow in the years to come. This has raised concerns among some economists and policymakers that the government may eventually be unable to repay its debt obligations.

However, there are also a number of factors that could help reduce the government's debt burden in the future. These include economic growth, which can generate additional revenue for the government. They also include reforms to the government's entitlement programs, such as Social Security and

Medicare, which could reduce the government's future spending obligations.

Ultimately, whether or not the United States government can repay its debt will depend on a number of factors, both domestic and international. The government will need to take action to address its budget deficits and to reduce its overall debt burden. However, it is also important to note that the United States is a strong and resilient economy, and it has a long history of overcoming economic challenges.

However, re-electing Joe Biden for a second term to the Presidency will negate the above paragraph.

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