

Social Slavery

The current Social Security (SS) system is designed as a pay-as-you-go system, in which current workers' tax dollars pay for the benefits of retirees. It's in serious trouble as there are fewer workers to support a greater number of retirees. In 1950, there were 16 workers paying for the benefits of one retiree. Today, there are three workers per retiree, and by 2025 there will only be two. According to the Social Security Administration itself, if unreformed, SS will begin running a deficit by 2017, and by 2060 SS and Medicare combined will make up 71% of the federal budget. And the theft of your property by the government to pay for this scheme is no small issue.

Why we believe Social Security is social slavery:

Social Security violates individual rights. It is predicated upon two ideas. One, the strong should support the weak, in this case, the young should support the old financially when the old cannot do so themselves any longer. Two, life entails certain basic risks that people either encounter at no fault of their own, such as economic downturns, or simply fail to prepare for. Now, while these ideas might be true, they miss an essential point. Your life belongs to you. And, since it is you living your life and you have the most interest in it, you know your financial situation and preferences much better than any politician or bureaucrat. Therefore, as long as you are not violating someone else's rights, you should be free to control your life and to make the choices that affect your future, even if you end up making mistakes. You are not violating anyone's rights by planning for your retirement. But the government, by stealing the money that you earn, does violate your rights. You should be free decide whether you want to save for retirement and how much risk you are willing to take in investing, reaping the rewards or incurring the losses. Also, the justification that SS "takes care of the less-fortunate" strips those individuals of their dignity (since they're basically saying the less-fortunate don't have enough competence to make wise retirement decisions).

Social Security negates choice. By forcing individuals to contribute to SS, the government takes away important choices they should be able to make about their own retirement, negating personal responsibility. If you work, you are forced to pay into SS but have no choice about how the money is invested. In fact, your SS taxes are not even invested at all; they are paid out to current retirees and to loan the federal government money for other government programs. You have no choice over how many years you work or when to retire in order to collect any benefits. You have no choice about what happens to the accumulated money after you die; you cannot pass it on to your family or your favorite cause (like Bureaucrash).

Social Security is a bad investment. According to the Congressional Budget Office, if you are in your late twenties today, the most optimistic projection for your SS return is 0.7 percent! By contrast, returns on private investments have historically been much higher: stock market returns 6.8%; corporate bonds 3.8%; a balanced portfolio (50% stock/30% corporate bond/20% treasury bond) 4.9%. As for those try to rationalize the existence of SS by claiming that it helps the less fortunate, it actually disproportionally hurts poor people because they are then left with less money to invest for retirement (which would earn a better return) and, since those with lower socio-economic standards on average have lower life expectancies and work longer than those with higher socio-economic standards, they often do not recoup the money that was taken from them though the SS system. It's no wonder some refer to SS as "socialist insecurity."

It's just a scam. You have no legal right to SS benefits. In 1960 the U.S. Supreme Court ruled in *Flemming v. Nestor* that, "a person covered by the [Social Security Act] has not such a right in benefit payments as would make every defeasance of 'accrued' interests violative of the due process clause of the fifth amendment." Hence, Congress can change or rescind those benefits at any time. For instance, before 1983 SS benefits were not taxed. Since the 1983 Amendments to the Social Security Act, up to one-half of the benefits received are taxed if the recipient's yearly income exceeded a certain threshold (generally individuals making more than \$25,000 and married couples making \$32,000). So, not only does the government forcibly take part of the money you earned out of your control, you also are not guaranteed to derive full benefits. That is legalized robbery.

