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Multi-generational Social Security changes

One of the basic beliefs our family holds is the simple rule: When something's broken, you fix it. You don't wait and do nothing while the problem gets worse, and, if possible, you make the necessary changes ahead of time to ensure that whatever problem is, it's as minimal as possible. This lesson always worked for our family's logging camp, now in its fourth generation. It works for fuzzy screens or drippy faucets or flat tires. We don't see why Social Security should be any different.

It's clear to our family that Social Security, as it is currently administered, is on the verge of being broken, like everything else in a similar condition, needs to be fixed. Though we come from different generations, we each believe that a secure retirement follows a lifetime of hard work.

Given the future of Social Security that won't be possible for younger generations unless common sense meaningful reform is undertaken. Back in the 1950s workers supported every Social Security beneficiary. Today a little more than three workers pay into the system for every one retiree who draws benefits and this ratio will continue to decline.

In the near future — 2017 is the year we hear most — there won't be enough people in the work force to support our retirees. In fact, money taken into the system with will only equal about 75 percent of the estimated payouts.

It's clear that a solution must be found now — and it's as clear that part of that solution should be personal retirement accounts. Many of the senior members of our family who are now retired depend on their monthly Social Security check, along with other savings and pensions to remain self-sufficient. And they're trying to remember about the current discussions regarding Social Security reform is that current retirees' benefits won't be affected by one dime. Everyone, your family members and ours, who are currently receiving Social Security benefits will continue to receive the same amount. No one is going to change that.

One of the positive aspects about current reform plans is the inclusion of personal accounts that will give younger family members, like Michelle and



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her cousins, four of whom are currently in college, the chance to build nest eggs for their retirements. The ability to start a personal retirement account gives workers more options. Someone can choose to receive the same benefits he or she would under the existing system, or that person can open up a personal savings account. These retirement accounts are completely voluntary for everyone.

By putting a portion of one's payroll taxes into a retirement account, someone can, after years in the

work force, finally have a say-so about how his or her taxes are used. This money will be working for the individual rather than just sitting in a trust fund that is regularly plundered by Congress.

Michelle and her generation have the most to lose if Social Security fails — and the most to gain if personal retirement accounts become a reality. From what we hear, for the current system to be maintained, total payroll taxes would have to be raised to 18 percent for workers. Michelle's generation to receive the same benefits as our family members who are now retired.

In addition, current reform efforts also include provisions that personal savings accounts can be inherited by future generations, currently not an option for Social Security. As it is today, if someone works all his or her life and then passes away the day after he or she retires, no one in the family can inherit any of the Social Security benefits of that person.

All of that money stays with the bureaucracy in Washington, even though that person has paid thousands of dollars. It only makes sense that workers who opt for a personal savings account should be able to direct their "savings" to a beneficiary upon death.

We have seen several of our family members approach their golden years after working hard for decades to realize the promise of a secure retirement. Given the eventual collapse of the Social Security system, the best way for our generations to gain those same benefits is through a personal retirement account. The world has changed considerably since the time the national Social Security system was established, and workers like us need to take more control over our financial future.

Personal accounts will allow us to truly see the fruits of our labor decades from now when each of us is ready to retire. Now is the time to fix it.

A business consultant, Cheryl Hanington-Russell is the former director of the Richard E. Dyke Center for Family Business at Husson College, and a former executive of a third-generation family-owned logging company. Her daughter, Michelle, is a recent Summa Cum Laude college graduate, just returning to Maine from Pennsylvania, and is the director of KidCare America in Lincoln.