

# The Miami Herald

## **Building wealth for all**

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President Bush rightfully has made ownership the central theme of his domestic agenda. The president deserves great credit for his political courage in advancing the ownership theme, but in reality it's nothing new.

The core of an ownership society is the philosophy of giving individuals more control of their own destiny. Its lineage can be traced back to the Boston Tea Party, when settlers rebelled against the idea of paying taxes into a system over which they had no control. This is a lesson politicians should keep in mind as they approach the current Social Security debate.

A new retirement security strategy is the first step in creating this ownership society. That strategy starts with replacing an outdated Social Security program left over from the Industrial Age with a new system that meets the needs of the 21st Century.

Let's face the facts: The Social Security system is fast approaching bankruptcy. Decades of mismanagement and a lack of leadership and political will in Congress haven't helped, but the real problem is a fundamentally flawed structure.

Despite politicians' rhetoric about a mythical trust fund, Social Security is a simple transfer payment. Today's workers are taxed to pay benefits for today's retirees.

Social Security does provide a measure of retirement security to seniors. But it does nothing to help build nest eggs for working families. It does nothing to expand economic opportunity or bring more Americans into the investor class. It does nothing to help extend opportunity to those left behind.

As we put Social Security on a path to long-term solvency, we must establish a system of optional personal retirement accounts. These accounts will provide workers ownership of money paid into the system, choice in the level of risk and potential return on investment, and the opportunity for workers to build a nest egg for their retirement.

Millions of Americans already enjoy access to personal retirement accounts that provide their owners a long-term rate of return that the current Social Security system can never

match. Millions more, however, are denied any opportunity to build wealth for themselves and their loved ones. Personal retirement accounts under Social Security would give every American a chance to join the investor class.

Ownership also means that workers must be allowed to leave the balance of their personal accounts to their loved ones. It is unconscionable that those currently receiving benefits receive a near negative rate of return on their money, are often taxed twice on benefits, and upon their death lose the balance of their earned benefits. Social Security benefits are monies earned during the retirees' working years; these funds belong to families, not the government.

A new Social Security system is just the first step toward a true ownership society. Here are some others:

- We need to restructure the intrusive, job-killing tax code to reward investment and entrepreneurship and create growth and jobs.
- We need an education system that holds students, teachers and administrators accountable for results, but leaves the decision-making power in the hands of parents.
- We need to reform health care so that patients and doctors have more power than lawyers and government bureaucrats.

The ownership society starts, however, with reforming Social Security. One out of every eight dollars a worker makes goes into this broken system. It's long past time to give American workers control of how this money is spent.

Herman Cain is on the advisory board of the Coalition for the Modernization and Protection of America's Social Security, a coalition formed by the Business Roundtable and the National Association of Manufacturers.