

Deficit

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make them hard to rein in if Congress procrastinates.

The projected shortfall in 2033 is \$623 billion, according to the trustees' latest report. It reaches \$1 trillion in 2045 and nearly \$7 trillion in 2086, the end of a 75-year period used by Social Security's number crunchers because it covers the retirement years of just about everyone working today.

Add up 75 years' worth of shortfalls and you get an astonishing figure: \$134 trillion. Adjusted for inflation, that's \$30.5 trillion in 2012 dollars, or eight times the size of this year's entire federal budget.

In present value terms, the Social Security Administration says the shortfall is \$8.6 trillion. That means the agency would need to invest \$8.6 trillion today, and have it pay returns of 2.9 percent above inflation for the next 75 years, to produce enough money to cover the shortfall.

That's the rate of return Social Security expects to get from its trust funds. The problem, of course, is that Social Security doesn't have an extra \$8.6 trillion to invest.

Social Security Commissioner Michael J. Astrue said he is frustrated that little has been done to solve a problem that is only going to get harder to fix as 2033 approaches. If changes are done soon, they can be spread out over time, perhaps sparing current retirees while giving workers time to increase their savings.

"It won't be easy but it's just going to get harder the longer they wait," Astrue said.

There is no consensus in Washington on how pressing the problem is.

President Barack Obama created a deficit-reduction commission in 2010 but didn't embrace its plan for Social Security: raising the retirement age, reducing benefits for medium- and high-income workers and raising the cap on the amount of wages subject to the payroll tax, all very gradually.

The issue has been largely absent from this year's presidential election. Neither Obama nor his Republican opponent, Mitt Romney, has made it a significant part of the campaign.

Blahous, a Republican, warns that the magnitude of the problem is becoming so great that "Social Security's days as a self-financing program are numbered" if Congress doesn't act in the next few years. Democrat Robert Reichauer, Social Security's other public trustee, is less dire in his predictions but has told Congress that it needs to act within five years.

Others express less urgency.

"I would like to see Congress move on this tomorrow but we do have 22 years before there is any cut in Social Security benefits," said Sen. Bernie Sanders, a liberal independent from Vermont who heads the Senate Social Security caucus. "Compared to other crises — the collapse of the middle class, real wages falling for American workers, 50 million people having no health insurance — how would I rate the Social Security situation? Nowhere near as serious as these and many other problems."

AARP, the nation's most powerful lobbying group for older Americans, agrees.

"I'm not suggesting we need to wait 20 years but we do have time to make changes to Social Security so that we can pay the benefits we promised," said David Certner, AARP's legislative policy director.

"Let's face it. Relative to a lot of other things right now, Social Security is in pretty good shape."

Social Security is financed by a 12.4 percent tax on wages. Workers pay half and their employers pay the other half. Self-employed workers pay the full amount.

The tax is applied to the first \$110,100 of a worker's wages, a cap that rises each year with inflation. For 2011 and 2012, the tax rate for employees was reduced to 4.2 percent but is scheduled to return to 6.2 percent in January.

Social Security's finances are being hit by a wave of demographics as aging baby boomers reach retirement, leaving relatively fewer workers behind to pay into the system. In 1960, there were 4.9 workers paying Social Security taxes for each person getting benefits. Today, there are about 2.8 workers for each beneficiary, a ratio that will drop to 1.9 workers by 2035, according to projections by the Congressional Budget Office.

About 56 million people collect Social Security benefits, and that is projected to grow to 91 million in 2035. Monthly benefits average \$1,235 for retired workers and \$1,111 for disabled workers.

Marge Youngs, a 77-year-old widow from Toledo, Ohio, said Social Security makes up most of her income. She's reasonably sure that Social Security's financial problems won't affect her benefits but worries about her children and grandchildren.

"We might not have to worry about it, but it's the next generation coming up that will," Youngs said.



School's Starting... Send Your Kids Back To School Safely

Commuting & Travel Safety Tips for Parents and Students

Tips for School Bus Riders

- Line up facing the bus, not along side it.
- Do not play in the street while waiting for the bus.
- Carry all loose belongings in a bag or backpack.
- Never reach under the school bus to get anything that has rolled or fallen beneath it. The bus driver may be sitting too high up to see you.
- After getting off the bus, move immediately onto the sidewalk and out of traffic. If there is no sidewalk, try to stay as far to the side of the road as possible.
- Wait for a signal from the bus driver before crossing the street. Walk at least 10 steps away from the front of the bus so the driver can see you.
- Never cross the street or play behind the school bus.

Tips for Pedestrians or Bike Riders

- Never walk alone — always travel with a buddy.
- Pay attention to all traffic signals and crossing guards along the way. Never cross the street against a stop light.
- Always wear a helmet when riding a bicycle.
- Avoid ill-fitting clothing that could get caught in spokes, pedals or restrict movements, and wear reflective colors and material to be more visible to street traffic.
- Walk your bicycle across all intersections.

Tips for Car Drivers and Passengers

- Everyone in the car should wear a seatbelt, as they lower the risk of injury in the event of a crash by 45 percent.
- Make sure babies and young children are in safety seats at all times, and that the safety seats have been properly installed.
- Read your car's manual for safety precautions specifically relating to the car and its airbags.
- Remind teenagers to take extra precautions if they are driving to school or riding with another teenage driver.

According to the National Highway Traffic Safety Administration (NHTSA), 24 million students nationwide start their school day with a trip on the school bus. Although NHTSA reports that riding on a school bus is nearly eight times safer than riding in a passenger vehicle, an average of 11 school-aged pedestrians are killed by school transportation vehicles each year.

Whether they walk, ride the bus or travel by car, teach your kids these few tips to ensure they get to and from school safely.

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