

# Essay social security

Sociology, Social Issues



The current Social Security system should be replaced by a mandatory private pension system. The current system entails workers being forced to give a certain percentage of money out of their pay checks to Social Security. This tax money is used to pay benefits to retired people, disabled people, survivors of workers who have died, and dependents of beneficiaries (SSA). To most, this system sounds unfair because workers put in hours of labor for a paycheck that religiously has money taken out for someone else's retirement, disability, etc. however, people for this system believe this benefits everyone because workers are not in control of their own specific retirement fund so poor decisions cannot be made. In reality, people should be able to control the fate of their own retirement funds because they can decide when the money is necessary, which can be done by making the change to a private pension system. The current Social Security system creates a lot of concern because of the accelerating demographic factors (NCPA). Life expectancy is increasing faster than expected -- in 1940, a 65-year-old man could expect to live another 12 years, today it's 15 years; the fertility rate is falling faster than expected -- from 3.6 children for a typical woman of child-bearing age in 1960 to just two today; and the elderly portion of the population is expected to rise from 12 percent today to 20 percent by 2050 -- increasing the number of retirees from 34 million to 80 million" (NCPA).

The decreasing working population combined with the rising elderly population means the number of elderly people needing benefits will be greater than the number of working people providing the money for those benefits (NCPA). Because of these statistics, the favor for a private pension

system is growing so workers can save their taxes for their individual retirements.

With a private pension system as opposed to the current, honored system, the working class has more control over their retirement funds because for one, they would be earning the money for themselves, and two, the money would be in a private account for them. With the money accumulating in a private account, it is not exposed to risk. “ These federally regulated personal accounts would allow individuals to invest only in diversified, approved mutual funds and not in single stocks or highly volatile stocks” (Procon). In addition to its added personal safety, a private system would help the economy. “ Privatizing Social Security into individual investment accounts would boost economic growth by injecting money back into America's failing financial system” (Procon). With the economic growth this would cause, there could be a possible decrease in unemployment rates, pulling the economy out of the current recession.

In conclusion, the switch from the current Social Security system to a mandatory private pension system is ideal not only for the working class, but also for the environment. Even with the criticism that a private pension system would tempt workers to make poor decisions with their retirement funds, people should have control over the money they make and be able to determine their own fate. Working for a paycheck that loses a percentage of its total to be given to the current retirees, the disabled, etc. is unfair and will discourage the working class. A private pension system that will actually save an individual's own money will be more motivating to work towards and will better prepare him or her for their elderly years.

## **Works Cited**

1. NCPA. " Social Security Problems Accelerating. " NCPA. org. National Center for Policy Analysis, 2012. Web. 18 Mar. 2012.
2. Procon. " Privatize Social Security. " Procon. org. Procon, 13 Mar. 2012. Web. 18 Mar. 2012.
3. SSA. " Social Security. " Ssa. gov. Social Security Administration, Mar. 2012. Web. 18 Mar. 2012.