

Social Security, the Cement Lifeboat

by: Bob Llewellyn
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1935 was a bad year. German Jews were first stripped of their citizenship that led to the most horrific cruelty in the modern era. Persia became Iran. And President Roosevelt signed the Social Security fiasco into law.

Charles Ponzi was an investment guru who traded an arbitrage system for return stamps, a big thing back before the internet and overseas telephone lines. Although Ponzi's arbitrage system really did work, he grew to the point where he could not handle all the investment dollars given to him. It didn't seem to matter too much because he had a lot more new money coming into his investment scheme than he had going out in interest payments.

Ponzi's ruse finally fell apart when people stopped giving him new money. It didn't take long before he had paid out all that he had and could not pay back the principle or interest. Does that sound familiar? That is exactly how Social Security works.

It was believed that there would always be more new workers than there were retirees. When the numbers began coming in, it was recognized by the Social Security Administration that when the baby boom generation began to retire, they were going to have less people paying in than was retired and taking money out. They believed that the tipping point would happen some time in 2017.

It happened in 2011. Currently there is more being paid out than the amount coming in and Social Security is already dipping into their reserve funds to make its payments. In other words, it is just a matter of time before the whole thing crashes. The government will start by subsidizing Social Security out of the general tax receipts, but that can't arrest the momentum at this time. There is only one way known to head off this cataclysm, and that is to replace it with an individual retirement program.

Social Security would never have happened except for our right deceit. The only way it could get enough votes to pass was that the government promised that congress would look into finding private systems to take over for the public one. That naturally never happened. The whole thing was a deception and a ponzi scheme. If you can't believe the government to keep its word on that, what makes you think that you can believe them when they say they can fix their mess? Not only are they not fixing their first screw up, but they turned around and did it all over again with medical coverage known locally as Obama Care.

If there is to be any hope, it will have to come from the private sector, and the people themselves. This is why it is so imperative that future retirees take their retirement back into their own hands. The alarms have already been sounded, the peril is at our door. And those that are in their 30s and 40s will take the brunt of yesterday's stupidity. It is they that will have to decide whether to take care of the elderly or their children. Most likely, they will try to do both at their own expense.

But there is also a good deal of hope. This generation is also the first to have modern day computers and the internet. New ideas are coming from all over the world and can be shared in the time that it takes for electricity to travel around the earth (a matter of seconds). Their extra capabilities makes the task of finding a solution more of a probability than a concern. But the time to begin is now.

There have been advances in new investment methods already. Not enough to turn the tide of Social Security, but ones that will buy us more time at least. And as usual those advances are coming from the private sector. One such system that we know of combines investments and work, actually running a small business from home. This small business idea gives future retirees the tax advantages of a home based business, working a few extra hours a week instead of spending existing funds, and is far safer than the pie in the sky schemes of the government. The knowledge already exists but the people themselves have to realize that if they want security for their retirement years, it is still truly up to them to get it.

You can't wait for the government to lead, they are not leaders, they are followers. Case in point, this years' republican debates. Each candidate was asked by the press if they thought that social security was a ponzi scheme. The front runners are called front runners because they were leading the pack to distance themselves from the truth. Their handlers told them that they were to be strong on the side of social security or alienate seniors already afraid of losing their income source. Each of the leaders said that they didn't think that social security was really a ponzi scheme, that yes it could be saved and of course only by them. They can't even tell you the truth when it is setting right on their desks.

There is only one person in this world that you can count on to keep your best interests at heart, and that person is you. If you are hoping that you will be able to retire using social security, you are leaning on a glass crutch. Social security was never meant to take the place of private investing, it was billed as a life boat. What we were not told was that the life boat was made of cement and would eventually sink.

This is the reality that we all need to deal with. We can have a bright and promising future but we need to start working on it now. Trust your future to others and you won't have a very good one. Take matters into your own hands, begin by reading articles on the internet as they contain information on some of the newest innovations to be made available. Search for retirement solutions. Don't quit, the answers are out there in the private sector.

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