



The Future of Social Security: Full Transcript

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**[01:00:06:01] TITLE: *How will millennials benefit from social security?*

[01:00:10:23] NARRATOR: This is a story about a young man who shares a dilemma with millions of young Americans.

**[01:00:15:12] TITLECARD: *The Future of Social Security*

[01:00:17:01] NARRATOR: It's not—"where's my cellphone?" It's his paycheck. He's buried in student loan debt, living at grandma's—forcing him to get creative with his online dating accounts—and dismayed at the social security deductions from his meager salary, and he's wondering...

[01:00:33:12] MILLENNIAL: Is there going to be anything left from Social Security when I finally retire?

[01:00:38:01] NARRATOR: Many young people fear the Social Security system will run out of money. In fact, half of all Millennials believe Social Security will have dried up by the time they retire.

[01:00:48:18] NARRATOR: But Social security is one of the most beloved and effective social programs.

**[01:00:48:18] TITLE: *2/3 of Americans think Social Security is very important.*

[01:00:53:01] NARRATOR: And it's also called the third rail of American politics because when politicians attempt to touch it, they've faced strong political blowback. But that doesn't answer the question -

[01:01:03:22] MILLENNIAL: Where's my money going anyways?

[01:01:07:00] GRANDMOTHER: Thank you.

[01:01:08:05] NARRATOR: Well, maybe that answers it...

[01:01:11:00] MILLENNIAL: How did this all get started anyways?

[01:01:13:22] NARRATOR: Glad you asked! I bet someone knows the answer.

[01:01:20:01] EXPERT (BEN VEGHTE): Social Security was introduced in 1935 by Franklin Delano Roosevelt, in the wake of the Great Depression when poverty rates among seniors were at 50 percent.

[01:01:28:23] FDR FOOTAGE: "We have tried to frame a law which will give some measure of protection to the average citizen and to his family against the loss of a job and against poverty-stricken old age."

[01:01:43:18] NARRATOR: And there's more you need to know. Social Security is essentially a pay it forward system as well, meaning instead of paying something "back" you are paying it "forward" to another person.

[01:01:53:09] MILLENNIAL: I don't get it.

[01:01:54:08] SON: I don't get it.

[01:01:55:13] NARRATOR: Consider this – holding doors for your elders is really important, right? They deserve it. They have been through a lot. Well, paying social security is holding the “retirement” door open for them. And it will all come around. Because in 30 years when you need a hand, your kids will be there to hold the door open for you. And the cycle continues – door after door, social security check after social security check.

[01:02:21:22] NARRATOR: But that doesn't mean the social security system doesn't change.

[01:02:25:01] EXPERT (BEN VEGHTE): In 1983, social security system was facing an imminent shortfall. To address that shortfall, a series of reforms was introduced. As a result the system has accumulated \$2.8 trillion in reserves. The baby boomers paid into social security in order to fund their own retirement.

[01:02:42:22] MILLENNIAL: So what's the problem? Why do I keep hearing that social security is going bankrupt? Why is everybody worried about retirement?

[01:02:51:05] NARRATOR: Because the baby boomer reserves are going to run out. Of course, new generations are still paying into the system and -

[01:02:58:00] EXPERT (BEN VEGHTE): Today, the system has about 85 percent of the money it needs to pay benefits over the next 75 years. But gen x'ers and millennials are accumulating student debt at much higher levels than the baby boomers did.

[01:03:08:16] EXPERT (BEN VEGHTE): Moreover, traditional employer pensions, have been disappearing in recent decades. And that makes it much harder to save for retirement.

[01:03:16:20] MILLENNIAL: What is the government doing to solve this?

[01:03:18:20] NARRATOR: Well that's not entirely clear and that's part of the problem. And some feel it might not even be the government's job to solve.

[01:03:26:11] EXPERT (BEN VEGHTE): Democrats tend to support expanding social security benefits

to make up for the decline in traditional pensions. And either payroll contributions need to be increased, for example by increasing the payroll rate from 6.2% to 7.2%, or the cap needs to be increased from 118,500 to a higher level, or benefits need to be cut. Most democrats favor scrapping the cap altogether. So that everyone pays social security contributions on all of their income.

[01:03:53:10] NARRATOR: And of course not everyone agrees on what to do

[01:03:56:17] EXPERT (BEN VEGHTE): Many republicans favor partial privatization of social security, in other words taking a portion of your contributions and putting them into private accounts so that individuals could invest that money and have control over their retirement savings.

[01:04:10:04] NARRATOR/MILLENNIAL VO: I know that's a lot to take in, but It seems that both sides at least agree that something needs to be done. So after learning all of this...what's our take away? What would I tell my younger self -

[01:04:22:20] NARRATOR/MILLENNIAL (on camera): there's no need to panic. If we make smart decisions and implement some of these reforms we can ensure that Social security will survive for generations.

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