

Analysis Grid on Possible Remedies for Social Security

Directions: In your group, review the following possible solutions to the Social Security problems. First, discuss with members of your group the intended results of each of these solutions. Taking information from either “Some Ways to fix Social Security” or “Choices Lie Ahead” articles, fill in the last two columns. Discuss the positive and negative effects of each of these plans and complete the appropriate columns below with members who have read the other article. Then in your group, prepare a presentation on one of these solutions incorporating the questions on the previous page.

Possible Solution	Intended Result	Positive Effects	Negative Effects
Reduce benefits (cost of living increases, benefits for wealthy citizens)			
Raise the payroll tax rate above 12.4%			
Raise the payroll tax cap above the first \$90,000 in a wage-earner's salary			
Raise the taxes on Social Security benefits paid out.			
Raise the retirement age			
Levy an additional tax on state and local governments			
Government invests Social Security reserves in stocks and bonds.			

Social Security Reform

Student Handout

Possible Solutions for Social Security

OVERVIEW: In this activity your group will look at some of the possible remedies to address Social Security's funding problems. On the attached chart are some of the leading remedies being discussed in Congress and town hall meetings across the country. None of these are exclusive of the others and it's possible some combination of these might be employed. Your group will examine each of these suggested solutions looking at how each might help solve the problem and some of the positives and negatives of each.

Directions:

1. Complete the "Intended Result" column on the chart first. In your group, discuss how the proposed solution would help address the problem of reductions in the Social Security Trust Fund.
2. If you haven't already done so, the members of your group should read the two articles "Some ways to Fix Social Security" at <http://washingtontimes.com/upi-breaking/20040419-123716-5298r.htm> and the Social Security Administration's website at <http://www.ssa.gov/pubs/10055.html#choices> with half the group reviewing one article and the other half reviewing the other.
3. After reading the articles, as a group determine the pluses and minuses of each proposed plan from the two different articles. If necessary, further information can be found on the web. Then write the positives and negatives of each plan on the chart. Be sure to cite any evidence or examples to support your analysis.
4. After the teacher has assigned one of the solutions to your group, develop a brief presentation on that solution covering the information from the analysis chart. You may go to other sources, like the ones listed below, for more in-depth information. In your group, discuss the following questions and incorporate your ideas into the presentations. Compile your findings on a large sheet of butcher paper with felt pens. Then present your findings to the class.
 - Which segment of society would be most affected by the proposed solution?
 - Identify the positive and negative effects on this group.
 - Is this plan a better or worse plan than the others suggested?
 - What plan or combination of plans is better and how would you incorporate them into a Social Security reform plan?

Possible sources of further information:

Social Security Administration <http://www.socialsecurity.gov>

Public Agenda on Social Security

http://www.publicagenda.org/issues/frontdoor.cfm?issue_type=ss

Common Sense on Social Security <http://www.sscommonsense.org/>

AARP http://www.aarp.org/money/social_security/