

Social Security Poverty Prevention & Modernization

University of Michigan, NASI Event
November 7, 2018

4 GOALS

- **Financial sustainability**
- **Original purpose → poverty prevention**
- **Workers' autonomy**
- **Recognize unsustainable gov't spending**



MARC PÉREZ

AGE
23

ANNUAL INCOME
\$60,006

\$547,088 Lifetime Payments
in Social Security Taxes

PERSONAL
RETIREMENT ACCOUNT

vs.

SOCIAL
SECURITY

\$6,185
Monthly Annuity*

OR

\$1,563,820
Value at Retirement

\$2,209
Monthly Benefit

*IF INVESTING IN A PERSONAL RETIREMENT ACCOUNT INSTEAD OF PAYING TAXES FOR SOCIAL SECURITY,
AND PURCHASING A MONTHLY ANNUITY AT RETIREMENT AGE (67) WITH THE ACCOUNT VALUE.



ASHLEY MARTIN

AGE

23

ANNUAL INCOME

\$19,768

\$119,426

Lifetime Payments
in Social Security Taxes

PERSONAL
RETIREMENT ACCOUNT

VS.

SOCIAL
SECURITY

\$1,262

Monthly Annuity*

OR

\$354,731

Value at Retirement

\$902

Monthly Benefit

*IF INVESTING IN A PERSONAL RETIREMENT ACCOUNT INSTEAD OF PAYING TAXES FOR SOCIAL SECURITY,
AND PURCHASING A MONTHLY ANNUITY AT RETIREMENT AGE (67) WITH THE ACCOUNT VALUE.

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COURTNEY JONES

AGE

23

ANNUAL INCOME

\$128,400

\$860,050

Lifetime Payments
in Social Security Taxes

PERSONAL
RETIREMENT ACCOUNT

VS.

SOCIAL
SECURITY

\$10,132

Monthly Annuity*

\$2,683

Monthly Benefit

OR

\$2,847,940

Value at Retirement

*IF INVESTING IN A PERSONAL RETIREMENT ACCOUNT INSTEAD OF PAYING TAXES FOR SOCIAL SECURITY, AND PURCHASING A MONTHLY ANNUITY AT RETIREMENT AGE (67) WITH THE ACCOUNT VALUE.

- **Flat, anti-poverty benefit**
- **Raise and index retirement age**
- **Modernize spousal benefit, add childcare credit**
- **Eventually lower payroll taxes**