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TOP TEN MYTHS OF SOCIAL SECURITY REFORM

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Academic researchers and public policy experts have long recognized that the existing combination of scheduled benefit levels and scheduled tax rates is not sustainable in the long run. However, policy action to fix this imbalance has been extremely difficult to achieve for presidents of both parties.

One factor contributing to the gridlock on this issue may be the prevalence of a number of politically influential "myths" about the impact of reform. Both opponents and proponents of personal accounts have contributed to the mythology surrounding Social Security reform. The purpose of this article is to critically examine ten leading myths of Social Security *reform* in the United States. These are:

1) Social Security is Financially Sound for "Decades to Come"
2) Economic Growth Will Eliminate the Existing Problem
3) Social Security is in "Crisis" and Will Not Be There When Today's Younger Workers Retire
4) Personal Accounts Can Save Social Security without Benefit Cuts or Tax Increases
5) Allowing Individuals to Redirect Their Contributions from the Trust Fund to Personal Accounts Will Provide a Higher Rate of Return.
6) Personal Accounts will Worsen Social Security's Financial Problem
7) Personal Accounts Will Cause Benefit Cuts
8) Personal Accounts are Risky and the Current System is Safe
9) Transitioning to Personal Accounts is Too Costly
10) Social Security Reform is Bad for the Poor, Women or Minorities

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