

## **Who Can You Depend On?**

A hot debate in the planning community these days centers on whether or not Social Security will be able to pay the “Baby Boomers” what they are “entitled to”. This is an emotional subject for many people who have paid into Social Security for many years.

A local planner I know makes the statement to his clients that they can count on getting what those annual statements from Social Security predict when they are 65 or 66. He finds it inconceivable that the government would let this program die or drastically change the benefits. He promises them that an answer will be found and all will be well.

**As many of you know, I totally disagree with that opinion.**

I believe that people must depend on themselves for financial security and that anything they get from Social Security or the government should be a pleasant surprise.

I really do hope that I am wrong about Social Security and the ability of the government to provide for the “Boomers”. However, I have yet to see any data that indicates I am wrong.

Last week, I received my AARP magazine that had an article about how to save Social Security. Naturally, I read that piece first. The article referred me to a website where I could get the “Social Security Fix-It Book”, published by The Center For Retirement Research at Boston College.

**This is quite an interesting book!**

It is written in easy to understand English and has charts and graphs to help get the points across. It is only 29 pages and breaks down chapters by topic, so you can digest it a bite at a time.

I urge you to take some time and look at this book if you want to better understand what the future holds for this program.

We have copies available if you would like one. We can email you a .pdf file or send a hardcopy.

Anyway, back to the book...

According to the book there are only two ways to fix Social Security:

1. Raise revenue by increasing payroll and other taxes.
2. Reduce benefits.

Of course, there can be a combination of the two, as well.

The book outlines the most popular ideas in each area and gives the pros and cons of each. I found this to be very easy to follow and understand. The information was also very objective and even handed.

**Bravo! They should be congratulated for not fueling the emotional fires that are already burning with more half truths and misconceptions!**

However, when I finished reading through the different options and the pros and cons of each, it dawned on me why a fix like this will never happen.

**Each benefit cut and each additional revenue generator depends on the rich paying the bill!**

They are suggesting reducing or eliminating benefits for higher income retirees, and at the same time asking them to fund benefits through higher payroll and income taxes. One option even uses an estate tax on the rich to help fund Social Security!

**I find it hard to believe that the rich people will go for any plan like this.**

By the way, who do you think writes the tax laws in this country? Who has the money to lobby congress and the executive branch to make sure that they get what they want written into the tax laws?

Please don't get me wrong. I hope that those in power come to understand that it is in their best interests to make sure that the middle class doesn't disappear and that all Americans have a decent standard of living. However, this is not how the real world works, is it?

**I hear you out there. "Okay, wise guy! So what do you think we should do?"**

Whether you are 15 or 50, I believe we must all assume responsibility for our own financial security.

That means we must:

1. Find out exactly where your money goes and how much we have to spend every month.
2. Commit to savings at least 15% of our GROSS income. We can reach that goal by spending less on unimportant items and setting spending priorities for ourselves.
3. Put our savings in places where it will be available to us in an emergency and where it cannot be wiped out by market problems or economic turmoil.

Financial security does not happen overnight. However, you can see some nice results in a few short years. Most importantly, things will only get better and better over time.

**Making these changes in your financial life will help you be as prepared as possible for the future financial storms that will financially destroy the vast majority of the public who did not do what I have suggested.**

I feel that this is a crisis situation. The increase in consumer debt and bankruptcy filings is scary. Worse yet, data shows that the average person has less than 2 months worth of household expenses in liquid savings backing them up in case of a financial emergency.

This is why I made a big change in November 2005. I now specialize in helping people address and fix this situation. This is all I do.

I use Bank On Yourself because it is a proven method of helping people attain financial security. The traditional methods I had used for many years were successful only about 5% of the time. Bank On Yourself works for about 75% of the people I work with.

**That is a big difference.**

Are you prepared for the financial storms ahead? Call Gail at (860) 496-1941 to schedule a free, no obligation phone or in person consultation to talk about your situation. All you have to lose is the worry and stress about what the future holds for you and those you care about.

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ALAN J. ECKSTRAND, CLU, ChFC, CRPC  
ALAN J. ECKSTRAND, LLC  
ONE TORRINGTON OFFICE PLAZA  
SUITE 211  
TORRINGTON, CT 06790  
PHONE: (860) 496-1941  
TOLL FREE: (866) 496-4677  
FAX: (860)496-4677  
Email: Alan@TheFinanceFixer.com**