Written by **Bob Adelmann** on January 1, 2018

Craziest Idea of 2017: Let Students Pay Down Their College Loans by Delaying Their Social Security Benefits

What a world! Broken promises traded for other broken promises, and offered with a straight face!

Representative Tom Garrett (R-Va.) turns 46 in March and is still paying off his student loans. In less than 20 years he'll qualify to retire under present Social Security rules. He put two-and-two together and came up with the Student Security Act (SSA): Pay down some of his student loans by pushing back his retirement age.

Specifically, Garrett's bill (H.R.4584, which has four co-sponsors so far) would forgive $550 in student loan debt for each month the student pushes back his or her retirement age. There is a limit: A student could trade a maximum of $40,150 in debt by delaying benefits for six years and a month. Never mind that the Social Security "trust funds" are filled with IOUs and that the students have not put the money into Social Seurity that they would be using to pay down their student loan debts.

Garrett said nothing about the bargain his bill would offer students (and the rip-off it would impose upon taxpayers) — just the rationale behind unburdening students from student debt:

> We can't afford to lose the energy, ideas, and vision of young people who give up their dreams of going to college because it is unaffordable. And we shouldn't saddle young people who graduate with enormous debt, forcing them to postpone marriage, becoming parents, buying homes, starting a business, and many other activities that enhance their lives and strengthen our economy.

But within days bloggers at Reddit lit up its comment page. "Peter Puppy" exclaimed:

> Just like loans, it's borrowing from the future to benefit the present. The advantage is that we don't really know when SS will run out…. So it could be a win-win.

Followed by this from "Quenton":

> That was my exact thought. If I don't expect to receive SS benefits because of its uncertain future then I should definitely sign up.

Here's the reality: Nearly one in every four students with college loans hasn't made a payment in a year. (Four years ago it was one in every six.) That's a total of nearly five million students who are currently dreadfully behind on their debts, even during the economic recovery, and their numbers are growing.

The total owed exceeds $1.4 trillion and also continues to grow.

Here's more: The Social Security administration is sending checks to nearly 62 million people — retirees and their dependents, survivors of deceased workers, and disabled workers and their dependents — and the number continues to grow as the workforce ages. At the moment, including everyone working either full-time or part-time, there are fewer than 2.5 workers supporting every beneficiary. In the early years of the Ponzi scheme there were more than a hundred workers supporting every recipient. In 1940, for example, the ratio was 159:1. By 1970 the ratio had dropped to 3.7:1 and by the year 2000 the worker/recipient ratio had dropped further to 3.4:1. This raises the existential question: Who is going to pull the wagon when everyone wants to ride?

Social Security trustees continue to report the obvious: The scheme is slowly winding down. They claim that, on a present value basis, the program has an unfunded liability of more than $12 trillion. This is far less than that calculated on a "generational accounting" basis by Boston University Professor Laurence Kotlikoff. He estimates that shortfall is more than $200 trillion.

It was just reported that Social Security's programs paid out more than a trillion dollars in benefits in 2017, and by 2026 (eight years from now), it will be paying out $1.6 trillion a year. In 2022 the program will go into deficit, and by 2034 all of its so-called reserves will have been liquidated.

All of which is to say that Social Security is a *papier-mâché* monstrosity that remains solvent much like *papier-mâché* itself: a composite material consisting of paper pieces or pulp, sometimes reinforced with textiles, bound with an adhesive such as glue, starch, or wallpaper paste.

Here is the ultimate fraud: If the bill passes into law it will allow students who can't pay their loans now to trade those broken promises for another broken promise: that Social Security will still be in business, solvent, and functional by the time these students reach retirement age. It's one fraud exchanged for another.

In a way, tt's too bad that the proposal is limited to just $40,000. If the number were higher, it would further hasten the day when both programs will be seen for what they are: broken promises made by students traded for other broken promises made by politicians.

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