

Class Starters & Enders

Making the Most of Instructional Time Five Minute Lessons

Class Starters and Enders help utilize the last minutes of class when a lesson ends but there is not enough time to start another, or for an interest approach at the beginning of class. Mini-lessons correlate to GPS in the programs areas below.

How secure is Social Security?

Program Areas: Business, Law and Justice, Career Development, Foundation Skills

Instructions: Read the material and make notes of important points, answer questions, and be ready to discuss this topic.

Most of us have heard of Social Security before, perhaps from a grandparent or from history class when learning about Roosevelt's New Deal Programs, but many are not aware of how the system works or aware of the current issues that are threatening its future existence.

Social Security was established in 1935 by the Social Security Act in efforts to help people receive benefits, such as medical care, despite being unemployed due to the Great Depression. The program would be funded by those who were currently working and a portion of their salary would go to providing benefit checks for others. The idea was for each retiring generation to be paid by current workers so the system would be continuously funded. The system did what it was intended to do in 1935 and for many years afterwards, but this idea is not practical for today's world.



In 1935, more people were paying into the system compared to the number of people who were receiving benefits. Because of the higher ratio of workers to retirees, workers paid only a small percentage (2 %) of their wages to the program. Today, workers pay 15.3% to social security and it is only predicted to get worse as the "baby boomer generation", (those born during the birth surge following WWII), begin to retire. There are more retirees drawing from social security and people are living longer than ever. Unfortunately, because these factors were not taken into account during the original budgeting plan the social security system is under severe strain.

-In 2011, nearly 55 million Americans will receive \$727 billion in Social Security benefits.

- 9 out of 10 people 65 and older receive SS benefits and these benefits represent 41 % of their income.

- Social Security also provides benefits for dependents of retirees, disabled workers and their dependents, as well as benefits for survivors of deceased workers.

- There are currently 2.9 workers per beneficiary. By 2036, there will be 2.1 workers per beneficiary and twice as many older Americans than there are today.

President Roosevelt signing the Social Security Act in 1935, this was the legislation that created Social Security as a part of the New Deal to help Americans get back on their feet during the Great Depression.

Math Connection

Students can use the Basic Facts found on the Social Security Administration website to create graphs on population growth and calculate at what year will the number of beneficiaries be larger than the number of workers contributing into Social Security. Students could also calculate the percentage of their parent's salary that goes to Social Security.

Review Questions

1. What year was Social Security established and for what purpose?
2. Briefly explain how the system works and how it differs from most financial accounts that we are familiar with?
3. What generation of retirees is expected to cause problems for the SS system?
4. What does the Social Security system not take in account for?
5. How many people age 65 and older rely on SS benefits and what percentage of their income does it represent?
6. Beside retirees, who else can receive benefits from the SS system?