

# FAT GORILLA

## JUNE 2009

The 800 pound gorilla in the room just put on some serious weight.

The financial health of Social Security and Medicare has gotten much worse, with Medicare paying out more than it receives. Trustees of the program stated that Social Security will start paying out more in benefits than it collects in taxes 2016, one year sooner than projected last year and be depleted by 2037, four years sooner. Medicare will be insolvent by 2017.

The trust funds are similar to the money management skills of Harry and Lloyd from ***Dumb and Dumber***; a file cabinet full of IOU's that sits in Parkersburg, WV. The IOU's are backed by the full "*faith and credit*" of Uncle Sam and are not backed by any actual real assets. The excess funds that have come in to the program for years were spent by our fearless leaders in Washington on important and serious projects such as: \$500,000 recently allocated to study why men do not like to wear condoms and millions of dollars on a turtle tunnel in Florida. In order to redeem the trust fund bonds, our government would have to borrow money in the public debt markets or seriously raise taxes.

With of our brand new ***Hopey Changey*** projects, stimulus part one, possibly stimulus part deux, Government Motors, universal health care, making homes affordable, (etc) how are we going to get the Chinese to pay for our retirement ponzi scheme?

May I suggest that anyone 50 years old and younger, please disregard any notion you had in receiving Social Security and plan accordingly.