



Journal of Economic Issues >

Volume 34, 2000 - [Issue 2: Papers From The 2000 Afee Meeting](#)

85 Views | 19 CrossRef citations to date | 3 Altmetric

Articles

# Financial Aspects of the Social Security “Problem”

Stephanie Bell & L. Randall Wray

Pages 357-364 | Published online: 05 Jan 2016

Cite this article <https://doi.org/10.1080/00213624.2000.11506273>

Sample our  
Economics, Finance,  
Business & Industry Journals

>> [Sign in here](#) to start your access  
to the latest two volumes for 14 days



References

Citations

Metrics

Reprints & Permissions

Read this article

Share

## Financial Aspects of the Social Security "Problem"

*Stephanie Bell*  
and  
*L. Randall Wray*

There is a widespread belief that the Social Security Trust Fund is going bankrupt. Thus, while Old-Age and Survivors Insurance and Disability Insurance (OASDI) is currently accumulating large financial surpluses, the fear is that Social Security faces a financial crisis because post-2020 program expenditures are expected to exceed revenues.<sup>1</sup> The solution, many argue, is to "use" (current and future) budget surpluses to "save" Social Security from financial collapse.<sup>2</sup> The idea, according to these "saviors," is that by "depositing" the surpluses into a trust fund, the Treasury can be prevented from "spending" them. Many of these "saviors" also insist that the rest of the government's budget must remain balanced, for otherwise the Treasury would be forced to dip into Social Security reserves. We examine these points by first providing an analogy.

Can a trust fund help to provide for future retirees? Suppose the New York Transit Authority (NYTA) offered subway tokens as part of the retirement package provided to employees—say, 50 free tokens per month (for life) upon retirement. Does this mean that New York should attempt to run an annual "surplus" of tokens (on average collecting more tokens per month than are paid out) in order to accumulate a trust fund to provide for future NYTA retirees? Of course not. When tokens are needed to pay future retirees, New York will simply issue more tokens at that time. Not only is it unnecessary for New York to accumulate a hoard of tokens, but it will not in any way ease the burden of providing subway rides to future retirees.

---

*The authors are, respectively, doctoral candidate at the New School for Social Research and Visiting Lecturer at the University of Missouri-Kansas City, and Professor of Economics at the University of Missouri-Kansas City and Senior Research Scholar at the University's Center for Full Employment and Price Stability. This paper was presented at the annual meeting of the Association for Evolutionary Economics, Boston, Massachusetts, January 7-9, 2000.*

Log in via your institution

➤ [Access through your institution](#)

Log in to Taylor & Francis Online

# Restore content access

> [Restore content access for purchases made as guest](#)


## Purchase options \*

[Save for later](#)

### PDF download + Online access

- 48 hours access to article PDF & online version
- Article PDF can be downloaded
- Article PDF can be printed


EUR 48.00

 Add to  
cart

### Issue Purchase

- 30 days online access to complete issue
- Article PDFs can be downloaded
- Article PDFs can be printed

EUR 90.00

 Add to  
cart

\* Local tax will be added as applicable

## Related Research

People also read

Recommended articles

Cited by  
19

[Comments on Papers Presented at the “Institutional Economics at the Millennium: Its Past and Future” Session, January 2000](#) >

Anne Mayhew

Journal of Economic Issues

Published online: 5 Jan 2016

[What Is the Essence of Institutional Economics?](#) >

Geoffrey M. Hodgson

Journal of Economic Issues

## An Ethnographer's Credo: Methodological Reflections Following an Anthropological Journey among the Econ >

Yuval Yonay

Journal of Economic Issues

Published online: 5 Jan 2016

[View more](#)

### Information for

[Authors](#)

[R&D professionals](#)

[Editors](#)

[Librarians](#)

[Societies](#)

### Opportunities

[Reprints and e-prints](#)

[Advertising solutions](#)

[Accelerated publication](#)

[Corporate access solutions](#)

### Open access

[Overview](#)

[Open journals](#)

[Open Select](#)

[Dove Medical Press](#)

[F1000Research](#)

### Help and information

[Help and contact](#)

[Newsroom](#)

[All journals](#)

[Books](#)

### Keep up to date

Register to receive personalised research and resources by email



Sign me up



Copyright © 2026 Informa UK Limited [Privacy policy](#)

[Cookies](#) [Terms & conditions](#) [Accessibility](#)

Registered in England & Wales No. 01072954  
5 Howick Place | London | SW1P 1WG



**Taylor & Francis**  
by informa