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Newsletter for May 2017

I have been getting emails based on social media. There are 2 issues involved. One is that people on SSA benefit rolls have a total annual income of \$12000 on average. That is not true. The average retirement benefit is over \$1400 per month (\$16800 per year)- and 90% of people receiving Social Security benefits have other sources of income.

The second issue pops up when the stock market is gaining momentum. People write that Social Security should be privatized. They claim the rate of return would be higher. Nobody said that from 2008 to 2014 when the market was on a downward trend. Yes, lower income people get a higher rate of return on Social Security. If they didn't, many would be on welfare and income tax would be much higher.

Social Security's expenses are 1.2% of its benefits payable. This includes staff, equipment, and office rent. If you want to see the private investment fees and overhead, go to YouTube. Search for John Oliver Financial Planning June 12th, 2016 to find the real cost. This video is full of very rough language, but we are all adults.

You need a benefit you can count on. I certainly don't recommend not investing, but Social Security should be part of your financial strategy.