

# **PRI: The Townhall You *WISH* Congress Would Have!**

PRI is Personal Retirement Insurance, the Social Security and Medicare reform which brings ...

- Immediate and vigorous economic recovery
- Sustained economic growth
- Affordable, high-quality healthcare, securely funded
- Comfortable retirement, securely funded
- National debt paid off
- Abundant, lasting prosperity by following God's economic principles

**Key Insight:** If we choose to view the ***economic substance*** of Social Security and Medicare, rather than just their legal form as federal benefit programs, we uncover an enormous engine of prosperity hidden right under our noses.

We pay contributions in to a fiduciary throughout our working career, and then that fiduciary pays us benefits during our retirement. The economic substance of these programs is that they are annuity contracts as part of our retirement plan.

But today's business model for Social Security and Medicare does not use compound interest, so we pay six times what we need to for these programs. Compound interest normally generates an accumulated balance at retirement of 6-7 dollars for every dollar we put in during our career. Interest on the national debt means we pay a ratio of 9:1.

If we convert to a business model which uses compound interest, we free up resources equal to eight times the impact of Social Security and Medicare! And that's how we achieve the results listed above.

**Key First Step – Define the Problem Correctly:** Washington and the usual experts have defined the problem, in many areas, as being scarce resources. For example, "We don't have the resources to pay all of our debt and entitlement promises, so we'll have to raise taxes or cut benefits." And, "We don't have the resources to pay for all the healthcare we want and need, so we'll have to nationalize and ration."

But the problem isn't scarce resources – it only ***looks*** that way because today's business model imposes an 800% waste factor. Well, ***of course*** we cannot pay for a business model that spends NINE dollars to do a ONE-dollar job! But instead of surrendering to the 800% waste factor, let's use our ingenuity and switch to a business model that only spends one dollar to do a one-dollar job; then we'll have plenty of resources to pay for the comfortable retirement and magnificent healthcare that we want!

**Immediate Conversion:** Issue Restitution Bonds (backed up by payroll-tax receipts dedicated to their repayment) to pre-fund everyone's account with the balance needed to be on the curve toward their targeted accumulated balance at and during retirement (including current beneficiaries, convert everyone).

**Pay Conversion Costs:** Keep paying the 21% of taxable payroll we already pay (15.3% FICA tax plus general revenue transfers to Medicare plus beneficiary premiums plus taxes on benefits); set aside the 5% in worker's accounts going forward which suffices to keep moving them up the curve toward their targeted balance at retirement; use the other 16% to repay the Restitution Bonds over 70-80 years.

And that's it, the key drivers and transactions at a glance. The numbers all work, I've crunched them for 35 years all the way through to opening balance sheets, amortization schedules, and the like using the Trustees Reports intermediate case forecasts. The attached chronology shows how easily this concept sells to all audiences, addressing their main concerns of Safety, Fairness, Ownership and Efficiency.