

Who Was the First Baby Boomer?

By Stephen F. Barnes, Ph.D.

Not that it really matters, but the first Baby Boomer is said to be a woman by the name of Kathleen Casey-Kirschling, born one second after midnight on January 1, 1946 in Philadelphia, Pennsylvania. She weighed seven pounds, five ounces at birth. She married in 1966, had two daughters, and earned her living as a 7th grade school teacher. She divorced in 1985 but has since remarried. Currently, she lives in Cherry Hill, New Jersey, near her two daughters and five grandchildren.



By Dennis Drenner
USA TODAY

Pictured to the left, Kathleen seems pretty happy these days having received her first Social Security benefits check a little over a year ago. In an interview with AARP about the same time she said “I don’t work compulsively anymore. My priorities are now family and friends, and if something’s not fun, I don’t want any part of it.” Sound advice for Boomers everywhere. However, she continues to work part-time to supplement the Social Security, and volunteers for the Red Cross.

Kathleen is drawing her Social Security, but what about the rest of us? An estimated 10,000 people a day will become eligible for Social Security benefits over the next two decades. In 2011, the leading edge Boomers like Kathleen reach age 65 and also become eligible for Medicare. By 2030, the experts tell us, Social Security's caseload swells to 84 million people, up from 54 million today. Medicare will jump from 44 million beneficiaries to 79 million. That will leave about two workers paying payroll taxes for every one retiree. At that point in time the cost of paying for retirement and disability will exceed the income stream of the Social Security fund, and the government will be forced to take money directly out of the actual trust fund to meet its obligations to the nation’s retirees. If that happens, the Social Security Trust Fund will be completely exhausted by 2041. Game over.

Understandably, the 78 million Baby Boomers who will become retirement eligible at some point has economists worried as they prepare for an estimated \$50 trillion in future retirement obligations over the next 75 years. It is not as if there are no options, it's just that the obvious options are not very attractive. For example, rescuing the Social Security program with either higher taxes or cuts in spending translates to a 16% increase in the payroll tax or a 13% cut in benefits. Repairing Medicare in the same fashion is far more expensive: a 122% payroll tax hike or a 51% reduction in spending.

A lot of people in and out of government are worried about this. It makes the current bailout of the nation's banks, insurance funds, automobile manufacturers, and financial institutions look like a Fourth of July picnic. It may be the most significant fiscal and leadership challenge facing America in the 21st Century.

Returning to Kathleen, the first Baby Boomer, she opted to take her Social Security draw now, realizing only about 75 percent of the total amount for which she was eligible—about \$240 less per month. Had she waited until age 66 she would have received full benefits, or at age 70 she would have received 135 percent of her full benefits. Take less now or receive more later?

If it sounds a little like gambling, it is. The decision of when to begin taking Social Security benefits rests on at least three murky factors over which most of us have very little control: how much money do you need to live the way you want, how long can you reasonably expect to live, and how long will the Social Security Trust Fund be able to pay out benefits at the current level?

If you are a Boomer you really should be thinking about this. In the meantime, we all wish Kathleen Casey-Kirschling the very best.

For more information about Social Security go to:

Social Security Online <http://www.ssa.gov/>

Social Security's Future <http://www.ssa.gov/qa.htm>

AARP.org http://www.aarp.org/money/social_security

Copyright 2009
Stephen F. Barnes, Ph.D.
San Diego State University Interwork Institute