

## A QUANTUM CHANGE

### FROM INDEBTED AMERICA TO ENDOWED AMERICA.

*“Endowed America, using the tools of Social Secharity, means the financial future is assured for individuals and their families, and necessary community service organizations are operating efficiently and fully funded. This requires a quantum change from \$30 trillion in debt to \$30 trillion in endowment.”*

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#### **1. Indebted America. – 2020.**

America is nearing \$30 trillion in debt. This debt causes many problems in America. At the top are greater interest payments, tax hikes, spending cuts, and a decreased ability to respond to crises. An overburdened and over bureaucratic Federal government spends tax dollars to provide services it is not equipped to provide and therefore does so inefficiently and at greater cost. Ideally, the Federal government should adhere to its constitutionally mandated powers. This is not the case today as we see the Federal government trying to solve *all* the social problems of America’s greater community.

This Federal government involvement may have been necessary in the past but is proving to be problematic today. Old programs and old solutions, over time, are failing to provide for the general welfare and security of Americans.

The best example of an old program is our Social Security System, which was created to solve the problems of supplemental retirement income; income to widows, widowers, and children; and income to disabled workers.

We are at the point when Social Security no longer solves these problems in the way it was originally intended. In 1934, when Social Security was written into law by Congress, life expectancy for males was 58, and for females, it was 62. At the outset, Social Security only needed to solve the problems of two generations in a family. Now it has to solve the problems of five generations in a family. Young workers today understand that Social Security will not continue to solve problems unless there is a significant reduction in benefits or a significant increase in taxes. Neither of these are attractive options to young workers. Also, if you are unmarried, and you die shortly after you retire from work, all the money **you were required** to pay into Social Security over your lifetime, stays with the Federal government to use as the government sees fit (except for the \$255 death benefit returned to help cover your funeral costs).

If Social Security is the best example of an old program, it is ironic that through a change to *Social Secharity*, also an old program, we find a better solution to the fiscal and social problems of an indebted America in 2020.

Over 50 years ago, Congress had the wisdom and foresight to create and pass into law Section 664 of the Internal Revenue Code. Yet, not many people know about Section 664, and there are

three reasons why it is not as widely used as Sections 401k and 529:

1. Section 664 has been grossly under promoted and remains little known and understood by the general public;
2. There are not enough professional advisors qualified to properly implement this section of the code for the benefit of their clients, and
3. There have been no real proponents to bring Section 664 to the public's attention.

These three issues have given rise to the Endow America Network Foundation and the Council of Professional Philanthropic Advisors.

An important purpose of the Endow America Network Foundation is to increase the public's understanding and use of Section 664. To this end, the foundation created the name *Social Secharity*, which blends Social Security and charity and defines Section 664. The foundation is committed to making 664 and *Social Secharity* as well known and accepted as 401k and 529.

The public uses 401k and 529 of the tax code because they are familiar terms and people know what they do.

Another purpose of the foundation is to give the public access to a growing resource of professional philanthropic advisors. (*for more information, and to find a qualified advisor in your area, see the Professional Philanthropic Advisors link at the end of this article*).

The foundation invites all financial advisors and members of the public to support its purpose. Building awareness of 664 and *Social Secharity* and the availability of professionals who specialize in this advice will take time and resources.

Contributions to the foundation to increase the public's knowledge in how and when to use *Social Secharity* can be made on any page of this website using the **Donate** button.

Qualified advisors are invited to join the Council of Professional Philanthropic Advisors (*for more about the council see the Council of Professional Philanthropic Advisors link at the end of this article*).

## **2. Voluntary *Social Secharity* Provides Solutions to the Problems of an Indebted America.**

The *Social Secharity* tools, in use for over 50 years, are primarily charitable trusts, pooled income funds, and charitable gift annuities. Benefits from using these *Social Secharity* tools include: 1) tax savings, 2) income and retirement planning, and 3) they create philanthropic remainders. They are used for one, two, or all three of these problem-solving objectives, and anyone can voluntarily create their own *Social Secharity* account (*for more information, see Case Studies link at the end of this article*).

For purposes of the quantum change from an indebted America to an Endowed America, the philanthropic remainder is the most important benefit of *Social Secharity*. This occurs at the end of a *Social Secharity* income beneficiary's life when the remainder in their *Social Secharity* account will go to a community service organization(s) they previously chose including, but not limited to those in the fields of education, healthcare, social services, religion, the arts, etc. These remainders will become part of America's endowment held by community service

organizations. This is in stark contrast to what happens to one's Social Security account upon death and all the Social Security tax dollars previously taken by the Federal government. (*For more on the comparison of benefits see the link [Social Secharity vs. Social Security](#) at the end of this article.*)

Presently, many community service organizations are funded by government grants. Funding by tax dollars often requires lobbying which makes the process inefficient, inconsistent, and costly. An important part of the quantum change from an indebted America to an Endowed America is to gradually reduce and ultimately eliminate government grants to community service organizations. This will be done over time, when many more *Social Secharity* remainders create endowments that enable community service organizations to operate efficiently and to be fully funded.

How will **voluntary Social Secharity** produce a solution to the problems of an indebted America? The approach is simple. It is estimated that government provides \$1 trillion in support of community and social services each year. To replace government support, using an average return of 3.33%, it would require \$30 trillion to be held in endowments by community service organizations.

In 2020, it is estimated that there is about \$1.8 trillion held in endowments for all community service organizations registered in the USA. To reach \$30 trillion, where will the additional endowment funding come from?

### **3. The Growing Use of *Social Secharity*.**

As more individuals become familiar with **voluntary Social Secharity**, they will seek professional philanthropic advisors who will instruct and guide them in using these tools to assure their own financial future and the financial viability of the community service organizations they choose to endow.

The factors that will increase future use of *Social Secharity* tools include:

- The vast wealth transfer from the oldest to the next generation over the next 30 years offering the opportunity to plan by using a significant amount of noncash assets;
- The Endow America Network Foundation's campaign to increase the number of accredited professional philanthropic advisors trained to work with the public;
- The benefits of feeling good by doing good for America.

If the current \$1.8 trillion in endowments is supplemented by an average of 10% per year in *Social Secharity*, it will become \$28.8 trillion by 2050. Historically, **voluntary Social Secharity** has been used by older Americans. Based on higher mortality, it is estimated that only \$16.3 trillion of the \$28.8 trillion will have matured to become charitable endowment funds for community services.

Based on this estimate, using **voluntary Social Secharity** alone will be insufficient to reach \$30 trillion in endowments held by community service organizations. To assure the \$30 trillion goal

is reached, it would benefit all Americans to add **mandatory Social Secharity**.

#### **4. Mandatory Social Secharity Will Benefit All Americans**

Mandatory Social Secharity is required, just as Social Security is required.

The Endow America Network Foundation is suggesting a two-part solution to begin **mandatory Social Secharity** now. This two-part solution can be a bold step to gradually replacing Social Security with **mandatory Social Secharity**.

Part one of the solution comes from a completely different place. It requires the help of our youngest adults. In return, it will do much to help these young adults become successful and to lead fulfilling lives. A piece of this idea already exists in America -- males at age 18 are required to register with the Selective Service System. This needs to be expanded to include women age 18.

As is the case in several other countries, the foundation recommends that there be a paid two-year mandatory community service requirement performed by all young adults upon reaching the age of 18. The first portion of service will be the same for all -- a four-month training period. After this initial training, there will be choices as to what the next 20 months will be for the trainee. It could be in an environmental service, helping to build the nation's infrastructure, Peace Corps service, learning a trade, in a branch of the military, or some other form of local, state, or national service.

This two-year period following high school is a broad, educational, and flexible process that also will provide credits to higher education. As we have witnessed, most young people do not know exactly what kind of work they are suited for or that they desire to perform. Even college-bound 18-year-olds are uncertain about their future. Mandatory community service gives them more time to mature their thoughts on the next phase of their lives, whether it be moving on with higher education or working in a field or profession for which they received training and experience during their two years of mandatory service.

Part two will create a **mandatory Social Secharity** trust account for the young adult in service. Payroll deductions will go into this account instead of a Social Security account. This trust account will continue for the rest of their life and will:

1. Allow unlimited amounts to be put in along with payroll deductions
2. Allow the young adult to have a growing financial investment interest in the success of America
3. Allow for income if disabled or over age 50
4. Allow for greater flexibility in the amount, recipients and timing of income distributions
5. Allow for the eventual endowment of the community service organization(s) of their choice
6. Allow for required annual distributions to community service organization(s) of their choice

(for more about these trust accounts, see the **Social Secharity Trust Account** link at the end of this article).

## 5. Endowed America in the Year 2050.

Local community service organizations, endowed by voluntary and mandatory Social Secharity accounts, are efficient and fully funded without governmental support. Schools, hospitals, youth services, social service organizations, cultural amenities, and other community service organizations have been able to plan better and to grow their services to meet the continually changing needs of the community. This is contrasted with decades preceding 2020 when many community service organizations were dependent on government grants for their financial support. Historically, government grants were not always distributed equitably for reasons of socio-economic geographic location, and they were not dependable due to the whims of political winds that constantly changed.

Today, in 2050, community services have become endowed at the local level. As a result of voluntary and mandatory Social Secharity our Federal government's role in social services has been substantially reduced. In addition to phasing out grants for community services, there have been incremental and gradual funding changes to Social Security, Medicare, Medicaid, and other social support programs.

Here are some other major accomplishments:

- Federal government has eliminated \$28 trillion in national debt
- The current value of matured charitable endowments from voluntary Social Secharity is \$16.3 trillion nationwide.
- The current value of income endowment for donors from voluntary Social Secharity is \$12.5 trillion. This will mature to charitable endowment in coming years.
- The current value of income endowment from mandatory Social Secharity held by 18-to 46-year-olds is \$13.7 trillion nationwide. This will continue to grow and mature to charitable endowment in coming years.
- Total directed contributions from young adults for current community service use over 28 years was \$1.595 trillion

*(Contact us for Calculations for Year 2050)*

Now, through the foundation's initiative, an Endowed America is an equitable America, a just America, a safer America, and a more prosperous America. All of this is thanks to the "first generation" that participated in Social Secharity starting in 2022.

By beginning their community service and mandatory Social Secharity at age 18, this "first generation" has helped solve America's greatest financial and social problems.

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Links to:

[Professional Philanthropic Advisors](#)

[Donate](#)

[Council of Professional Philanthropic Advisors](#)

*Case Studies*

*Social Secharity Trust Account*

*Social Security vs. Social Secharity*