6 points

Part (a): 1 point

One point is earned for a definition: Entitlement programs are government-sponsored programs providing mandated/guaranteed/required benefits to those who meet eligibility requirements/qualifications.

Part (b): 1 point

One point is earned for identifying the primary source of revenue for Social Security. Acceptable responses may include:

- Payroll taxes.
- Wages from existing wage earners.
- Tax based on earned income.
- Targeted/earmarked taxes.

Note: The response must indicate that the tax is related to work/jobs in order to receive the point.

Part (c): 1 point

One point is earned for identifying a threat to the future of Social Security based on the trends indicated in the chart. Acceptable responses may include:

- Run out of money.
- Outputs exceed inputs.
- Declining reserve.

Part (d): 2 points

One point is earned for describing one demographic trend that threatens the future of Social Security. One point is earned for explaining how the demographic trend is responsible for the threat identified in (c).

Acceptable descriptions may include:

- More older people/“baby boom” generation.
- People living longer/greater life expectancy.
- Declining birth rates.

Acceptable explanations may include:

- The number of workers who fund Social Security is decreasing, but the number of people eligible for Social Security is increasing.
- The number of working people cannot support the large population who will soon reach the age of eligibility to receive Social Security.
- The ratio of workers to retirees is becoming more unequal. With fewer workers, less money is being paid in, and with more retirees, more money is being paid out.
Notes:
- Response cannot get the explanation point without a valid description of the demographic trend.
- The explanation must address the number of younger people in comparison to the number of older people in order to earn the point.

Part (e): 1 point

One point is earned for explaining how, if people were to work longer, less money would be paid out/more money would be paid in/the reserve would not decline as rapidly or as much.

A score of zero (0) is earned for an attempted answer that earns no points.

A score of dash (—) is earned for a blank or off-task answer.
2A. a) An entitlement program is a program funded automatically by congress, in which beneficiaries receive money if they meet certain basic requirements.

b) The primary source of revenue for the Social Security program is taxes paid by current employees and employers in America to the Social Security Trust Fund.

c) If the trends depicted in the chart above continue, by about the year 2035 the Social Security program could be paying out more money to beneficiaries than it earns in tax revenue, possibly causing the Social Security program to go bankrupt by the year 2035.

d) One demographic trend currently threatening the future of Social Security is the increasing number of senior citizens, and the not-increasing number of workers. Today in the United States, huge numbers of seniors are retiring, and living longer. This means that the Social Security Fund will have to support them for longer periods of time, using more money. However, the numbers of workers are not increasing at such a huge rate; this number tends to stay constant, if not decrease. Therefore,
The amount of money being paid in will decrease or stay the same, while money being paid out will continue to increase rapidly. Therefore, by 2015 the money paid out will be higher than the money being paid in, and by 2035 the Fund could possibly deplete its reserves, resulting in bankruptcy.

e) If the age of eligibility for social security were raised, the money being paid in could be raised, and the money being paid out could be lowered, possibly allowing the Social Security program to break even, rather than force it to tap into its reserves. If the age of eligibility were raised, workers would contribute tax money to the Social Security fund for more years, allowing the fund more revenue. Raising the age would also lower the amount of time that a beneficiary would be supported, therefore lowering the amount of money paid out.
An entitlement program is a government program that gives money back to directly back to citizens. The primary source of income for the Social Security program is the Social Security tax that everyone who works is required to pay. One threat to the future of the Social Security program is the level of income falling in relationship to the level of expenditure. A demographic trend that threatens the future of Social Security is the increase of early retirement, which results in a decrease in the level of income for the Social Security program. If the eligibility age for social security was raised, the amount of money paid out would decrease.
A.) An entitlement program is a program made by the U.S. government which gives people something (usually money) when they reach a certain point in their life (age) or meet a requirement (usually financially).

B.) The primary source of revenue for SS is tax dollars.

C.) In the chart, the bold dotted line depicts the reserve that our country has to give to people who are eligible for Social Security. It appears that around the year 2035, the reserve amount will actually become less than what monies are coming in. This means that our government will be shelling out more money than what is coming in. Anytime this happens, we call it a budget deficit, which is never good for the economy.

D.) One demographic trend that threatens Social Security is our national population and what percentage of that population is eligible for Social Security. This is responsible for the potential deficit explained in letter C because more people does not constitute in more money for Social Security. To better explain this, consider the following: Say in the year 2040 that the trends for Social Security continues. This means that the government reserve will total to approximately 500 billion dollars, while the amount needed for the predicted population will have to be approximately 5 trillion dollars. This deficit is so large that the idea of Social Security
E.) If the social security age were raised to, say 70 years of age, then the money paid out would go significantly down. This is because the percent of the population receiving aide would decrease, meaning less people would need money, resulting in less money spent.
Question 2

Overview

This question was intended to examine student knowledge and understanding of Social Security, an important public policy issue in United States government and politics.

Sample: 2A
Score: 6

In part (a) the response earned 1 point for defining an entitlement program as a program from which "beneficiaries automatically receive [sic] money if they meet certain basic requirements."

In part (b) the response earned 1 point for identifying the primary source of revenue for the Social Security program as "taxes payed [sic] by current employees and employers in America to the Social Security Fund."

In part (c) the response earned 1 point for identifying one threat to the future of the Social Security program should the trends depicted in the chart continue: "the Social Security program could be paying out more money to beneficiaries than it earns in tax revenue, possibly causing the Social Security program to go bankrupt."

In part (d) the response earned 1 point for describing one demographic trend that threatens the future of Social Security: "the increasing number of senior citizens, and the not-increasing number of workers." The response earned 1 point for explaining how the demographic trend is responsible for the threat identified in part (c): "the number of workers who fund Social Security are [sic] not increasing at such a huge rate."

In part (e) the response earned 1 point for explaining how one of the trends in the chart would change if the age of eligibility for Social Security were raised: "the amount of money paid out could be lowered."

Sample: 2B
Score: 3

In part (a) the response did not earn a point for the definition because there is no reference to the mandatory nature of entitlements or to eligibility requirements.

In part (b) the response earned 1 point for identifying the primary source of revenue for the Social Security program: "the Social Security tax that everyone who works is required to pay."

In part (c) the response earned 1 point for identifying one threat to the future of the Social Security program should the trends depicted in the chart continue: "the level of income falling in relationship to the level of expenditure."

In part (d) an "increase of early retirements" is erroneously described as a demographic trend. Since no demographic trend is accurately described, the explanation point was not earned.

In part (e) the response earned 1 point for explaining how any one of the trends in the chart would change if the age of eligibility for Social Security were raised: "the amount of money paid out would deacrease [sic]."
Sample: 2C
Score: 2

In part (a) the response did not earn a point for the definition because there is no reference to the mandatory nature of entitlement programs.

In part (b) the response did not earn a point because the statement “The primary source of revenue for S.S. is tax dollars” is too vague.

In part (c) the response earned 1 point for identifying one threat to the future of the Social Security program should the trends depicted in the chart continue: “our government will be shelling out more money than what is coming in.”

In part (d) the response did not earn any points because the demographic trend described is too vague: “One demographic trend that threatens social security is our national population and what percentage of that population is eligible for social security.” Since no correct demographic trend is described, the explanation point was not earned.

In part (e) the response earned 1 point for explaining how any one of the trends depicted in the chart would change if the age of eligibility for Social Security were raised: “the money paid out would go significantly down.”