

THE TRUTH ABOUT YOUR MONEY: HOW TO FIND JOY AND PEACE (AND CONTENTMENT WITH YOUR PERSONAL FINANCES)
 PRIVATIZATION OF SOCIAL SECURITY EXAMPLE

NAME: RILEY JOHNSON YEAR OF BIRTH: 1946 AGE STARTED WORK: 20
 PROPOSED YEAR OF RETIREMENT 2012 AGE AT RETIREMENT: 66

YEAR	AGE	AVERAGE SALARY	FICA CONTRIBUTION RATES			FICA CONTRIBUTION DOLLARS			VALUE OF DJIA @ 12/31	NO OF SHARES PURCHASED	NO OF CUMULATIVE SHARES PURCHASED	CUMULATIVE DJIA VALUE	
			EMPLOYEE	EMPLOYER	TOTAL	EMPLOYEE	EMPLOYER	TOTAL					
1966	20	4,938.26	3.850%	3.850%	7.700%	190.12	190.12	380.25	785.69	0.48396	0.48396	380.25	
1967	21	5,213.44	3.900%	3.900%	7.800%	203.32	203.32	406.65	905.11	0.44928	0.93324	844.69	
1968	22	5,571.76	3.800%	3.800%	7.600%	211.73	211.73	423.45	943.75	0.44869	1.38194	1,304.20	
1969	23	5,893.76	4.200%	4.200%	8.400%	247.54	247.54	495.08	800.36	0.61857	2.00050	1,601.12	
1970	24	6,186.24	4.200%	4.200%	8.400%	259.82	259.82	519.64	838.92	0.61942	2.61992	2,197.91	
1971	25	6,497.08	4.600%	4.600%	9.200%	298.87	298.87	597.73	890.20	0.67146	3.29138	2,929.99	
1972	26	7,133.80	4.600%	4.600%	9.200%	328.15	328.15	656.31	1,020.02	0.64343	3.93481	4,013.59	
1973	27	7,580.16	4.850%	4.850%	9.700%	367.64	367.64	735.28	850.86	0.86416	4.79897	4,083.25	
1974	28	8,030.76	4.950%	4.950%	9.900%	397.52	397.52	795.05	616.24	1.29016	6.08912	3,752.36	
1975	29	8,630.92	4.950%	4.950%	9.900%	427.23	427.23	854.46	852.41	1.00241	7.09153	6,044.89	
1976	30	9,226.48	4.950%	4.950%	9.900%	456.71	456.71	913.42	1,004.65	0.90919	8.00072	8,037.92	
1977	31	9,779.44	4.950%	4.950%	9.900%	484.08	484.08	968.16	831.17	1.16482	9.16554	7,618.12	
1978	32	10,556.03	5.050%	5.050%	10.100%	533.08	533.08	1,066.16	805.01	1.32440	10.48995	8,444.51	
1979	33	11,479.46	5.080%	5.080%	10.160%	583.16	583.16	1,166.31	838.74	1.39055	11.88050	9,964.65	
1980	34	12,513.46	5.080%	5.080%	10.160%	635.68	635.68	1,271.37	963.99	1.31886	13.19936	12,724.05	
1981	35	13,773.10	5.350%	5.350%	10.700%	736.86	736.86	1,473.72	875.00	1.68425	14.88361	13,023.16	
1982	36	14,531.34	5.400%	5.400%	10.800%	784.69	784.69	1,569.38	1,046.54	1.49959	16.38321	17,145.68	
1983	37	15,239.24	5.400%	5.400%	10.800%	822.92	822.92	1,645.84	1,258.64	1.30763	17.69084	22,266.40	
1984	38	16,135.07	5.700%	5.700%	11.400%	919.70	919.70	1,839.40	1,211.57	1.51819	19.20903	23,273.09	
1985	39	16,822.51	5.700%	5.700%	11.400%	958.88	958.88	1,917.77	1,546.67	1.23993	20.44897	31,627.80	
1986	40	17,321.82	5.700%	5.700%	11.400%	987.34	987.34	1,974.69	1,895.95	1.04153	21.49049	40,744.90	
1987	41	18,426.51	5.700%	5.700%	11.400%	1,050.31	1,050.31	2,100.62	1,938.83	1.08345	22.57394	43,767.04	
1988	42	19,334.04	6.060%	6.060%	12.120%	1,171.64	1,171.64	2,343.29	2,168.57	1.08057	23.65451	51,296.46	
1989	43	20,099.55	6.060%	6.060%	12.120%	1,218.03	1,218.03	2,436.07	2,753.20	0.88481	24.53932	67,561.66	
1990	44	21,027.98	6.200%	6.200%	12.400%	1,303.73	1,303.73	2,607.47	2,633.66	0.99006	25.52938	67,235.70	
1991	45	21,811.60	6.200%	6.200%	12.400%	1,352.32	1,352.32	2,704.64	3,168.83	0.85531	26.38289	83,602.90	
1992	46	22,935.42	6.200%	6.200%	12.400%	1,422.00	1,422.00	2,844.00	3,301.11	0.86153	27.24442	89,936.82	
1993	47	23,132.67	6.200%	6.200%	12.400%	1,434.23	1,434.23	2,868.45	3,754.09	0.76409	28.00850	105,146.45	
1994	48	23,753.53	6.200%	6.200%	12.400%	1,472.72	1,472.72	2,945.44	3,834.44	0.76815	28.77666	110,342.37	
1995	49	24,705.66	6.200%	6.200%	12.400%	1,531.75	1,531.75	3,063.50	5,117.12	0.59868	29.37533	150,317.11	
1996	50	25,913.90	6.200%	6.200%	12.400%	1,606.66	1,606.66	3,213.32	6,448.27	0.49832	29.87366	192,633.41	
1997	51	27,426.00	6.200%	6.200%	12.400%	1,700.41	1,700.41	3,400.82	7,908.25	0.43003	30.30369	239,649.18	
1998	52	28,861.44	6.200%	6.200%	12.400%	1,789.41	1,789.41	3,578.82	9,181.43	0.38979	30.69348	281,810.06	
1999	53	30,469.84	6.200%	6.200%	12.400%	1,889.13	1,889.13	3,778.26	11,497.12	0.32863	31.02211	356,664.90	
2000	54	32,154.82	6.200%	6.200%	12.400%	1,993.60	1,993.60	3,987.20	10,787.99	0.36960	31.39170	338,653.39	
2001	55	32,921.92	6.200%	6.200%	12.400%	2,041.16	2,041.16	4,082.32	10,021.57	0.40735	31.79906	318,676.48	
2002	56	33,252.09	6.200%	6.200%	12.400%	2,061.63	2,061.63	4,123.26	8,341.63	0.49430	32.29336	269,379.23	
2003	57	34,064.95	6.200%	6.200%	12.400%	2,112.03	2,112.03	4,224.05	10,453.92	0.40406	32.69742	341,816.22	
2004	58	35,648.55	6.200%	6.200%	12.400%	2,210.21	2,210.21	4,420.42	10,783.01	0.40994	33.10736	356,997.04	
2005	59	36,952.94	6.200%	6.200%	12.400%	2,291.08	2,291.08	4,582.16	10,717.50	0.42754	33.53490	359,410.34	
2006	60	38,651.41	6.200%	6.200%	12.400%	2,396.39	2,396.39	4,792.77	12,463.15	0.38456	33.91946	422,743.32	
2007	61	40,405.48	6.200%	6.200%	12.400%	2,505.14	2,505.14	5,010.28	13,264.82	0.37771	34.29717	454,945.81	
2008	62	41,334.97	6.200%	6.200%	12.400%	2,562.77	2,562.77	5,125.54	8,776.39	0.58401	34.88119	306,130.89	
2009	63	40,711.61	6.200%	6.200%	12.400%	2,524.12	2,524.12	5,048.24	10,428.05	0.48410	35.36529	368,790.99	
2010	64	41,673.83	6.200%	6.200%	12.400%	2,583.78	2,583.78	5,167.55	11,577.51	0.44634	35.81163	414,609.53	
2011*	65	42,657.33	6.200%	6.200%	12.400%	2,644.75	2,644.75	5,289.51	12,217.56	0.43294	36.24458	442,820.27	
2012*	66	43,664.05	6.200%	6.200%	12.400%	2,707.17	2,707.17	5,414.34	12,359.92	0.43806	36.68263	453,394.39	
		1,015,046.22				60,411.23	60,411.23	120,822.45			36.68		

C Source: <http://www.ssa.gov/oact/COLA/AWI.html>
 * Salary data unavailable for 2011 & 2012; both years increased by 2.36%
 D, E, F Source: <http://www.ssa.gov/oact/ProgData/taxRates.html>
 G, H Product of column C times column D or column E
 J Source: <http://finance.yahoo.com/q/hp?s=%5EDJI&a=00&b=1&c=2012&d=00&e=6&f=2011&g=d>
 K Result of column I divided by column J
 M Product of column J times column L