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Given the culture of the generations now in charge, given the nature of the people who control our institutions, it is foolish to turn over one's resources to a single organization in the hopes that obligations will be met in the far-off future.

With a little change in assumptions, as to future rates of return of investment and longevity, suddenly the amount of money that can be extracted from an annuity company in executive pay and bonuses may be greatly increased, and the amount retained for future beneficiaries greatly diminished. The negative consequences arrive decades in the future -- too far off to care about for those taking money out up front.

Regulations may be imposed, but regulators work for politicians funded by interests. Rather than worrying about 401-Ks, the Treasury should be worrying about the collapse of state and local government due to soaring public employee pension costs. For 15 years, elected officials have cut pension contributions for tax cuts and retroactively enriched pensions for public employees (including themselves), all while claiming the cost would be zero. As for the Congress, my generation (and those after) were told in 1983 that if we paid a much higher regressive payroll tax throughout our work lives and retired later, Social Security would be there for us. The generations before us took those extra contributions and spent them on lower progressive income taxes and more health care spending for today's seniors, leaving us with a pile of IOUs.

What about mutual insurance companies? New York's Blue Cross/Blue Shield was allowed to demutualize as part of a political deal in which a payment to New York State was used for a wage increase for a politically powerful health care union, in exchange for its neutrality in the 2002 election for Governor. Should the federal government force people to turn money over to such an organization, knowing that in the course of a long retirement its structure and practices could shift?

There is no technical solution. The generations born between 1930 and 1956 are bankrupting the country, are unwilling to put more in, and are always willing to take more out. They will keep deferring any solution on health care and Social Security until they are all vested, and then admit drastic reductions in benefits will occur for those coming after. Just like the multi-tier contracts signed starting 30 years ago that provided older generations with pensions and younger generations with 401Ks. Just as today's young are being hired as "independent contractors" without health benefits. Those coming after can expect to spend their later years working, and then suffering in poverty and ill health.

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