

Voice of the Left

Glenn Swift
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The Social Security "Crisis"

Wake up America! Once again, the Republicans are proving themselves to be masters of deception. Instead of talking about the issues that truly are at a crisis level (exploding federal budget deficit, ever expanding trade imbalance, falling dollar, increasing violence in Iraq, soaring energy prices, spiraling healthcare costs, deteriorating environment, outsourcing of jobs overseas, declining public education standards – I better stop!), the Right has come up with yet another issue to deflect public attention away from their failed policies -- and what we really should be talking about. I guess gay marriage had run its course!

Ok, let's talk about Social Security. Why do I believe in it so passionately? Because a fair and just society – a moral society – takes care of its parents and grandparents. Yet, despite its popularity over the decades, the Republican brass has never felt comfortable with this incredibly successful program. Interestingly, before the ink was even dry on the historic legislation, FDR warned against "the great dangers of rightist reaction" to Social Security. Well, it's happening. Despite recent poll figures that show that the American people overwhelmingly oppose the Bush Administration's position on the issue; the president continues to tout his "private accounts" strategy to end the so-called crisis. So what's the truth?

For starters, there is no crisis. Unless, of course, I don't understand the meaning of the word. (Webster defines crisis as a "crucial situation" or "turning point.") Either way, I am in good company. According to the Social Security Board of Trustees 2005 Annual Report, the program will continue to bring in more money than it pays out until 2017, and based upon these surplus revenues be able to fully fund benefits until 2041. The bipartisan Congressional Budget Office (CBO) predicts solvency until 2052! What the Bush Administration won't tell you about these predictions is that 1.9 % is the rate of economic growth assumed in both models. Just in case you're on a game show, the average rate of real GDP growth for the past 75 years is 3.4%. Isn't that interesting? In other words, the growth rate assumed is barely more than half what it has been for the last three-quarters of a century. Perhaps if the Republicans stay in power for the next 75 years this assumption might pan out!

The real problem is what the Bush Administration is doing right now with the massive surpluses being generated by workers paying into the system. They're spending it. Remember that old idea of Al Gore back in 2000 about the "lockbox"? Hold on, I'll get to it in a minute.

Let me first take you back a few years. In 1983, Ronald Reagan, Alan Greenspan and a bipartisan Congressional caucus raised payroll taxes specifically to create a revenue surplus for Social Security in anticipation of future years when the “baby boomers” would be retiring. Thanks to their foresight, the program has generated annual surpluses ever since. Unfortunately, the Reagan and Bush Administrations (all three) have spent the money. Had the federal government set this surplus aside all along (in that dusty old lockbox like Bill Clinton and Al Gore advocated), there wouldn’t be a problem. Thanks to the Bush tax cut for the wealthy, and the spend thrift ways of the last four Republican administrations; the government doesn’t have that money anymore. But the Right won’t tell you that little part of the story. They’re too busy creating the Middle East’s first “democracy.” Priorities I guess.

Last September, the CBO projected a 10-year deficit of \$861 billion not counting Iraq. Today, the CBO is projecting a deficit of \$1,364 billion (again not counting our nation building exercise). In other words, the projected federal budget deficit sans Iraq has gone up 58% in six months! Just last summer the White House predicted that the deficit would fall. So here we are worried about a potential \$100 billion dollar deficit in 2041 while ignoring a current deficit of \$450 billion dollars.

Amazingly, the Bush answer is to “privatize” Social Security. And what would this cost initially? Estimates range between \$1 and \$2 TRILLION dollars! Now that’s some real money. What should we do? The fair and rational thing is first to repeal the Bush tax cuts, figure out how to control other costs, and THEN work out something to address Social Security. There are a number of alternatives (i.e. increasing the threshold for F.I.C.A. and/or the tax itself, reducing benefits for those living abroad, cutting benefits for the wealthy, etc.) But let’s not destroy one of the most valuable safety-nets in American society. Especially, when there IS a budget crisis that needs to be addressed.

In closing, I would like to leave you with the words of Franklin Delano Roosevelt. “We have accepted, so to speak, a second Bill of Rights under which a new basis of security and prosperity can be established for all – regardless of station, race, or creed.”

Don’t let the Right take this away.