

HIGHLIGHTS OF THE COALITION'S WORK IN 2005

2005: Social Security and Decent Work: A Pause in the Battle

We Regret to Inform You That You No Longer Have a Pension. That's the cover story of a recent *New York Times Magazine*. It is a grim tale of underfunded, employer-based private and public pension systems, of a Pension Benefit Guaranty Corporation deeply in the hole and of only one-fifth of the workforce now covered by their employers—half of the rate 20 years ago.

With the crumbling pension system, Social Security remains our bulwark for economic security. Without it, there is no decent work. It is our primary workplace right. **As an organization that advocates decent work for all, the Coalition is committed to protecting Social Security. Our basic goal of full employment is the best economic**

insurance for Social Security: more people working and earning living wages means more money in the Social Security trust funds and fewer people forced to retire early and collect benefits. But Social Security also needs firm political insurance.

Why is Social Security a prime target of enemies of economic justice and advocates of limited government? Because it disproves the conservative mantra that government is the problem, not the solution. The privatization campaign that would have destroyed the bedrock assurance of a predictable, defined benefit has faltered. But this is just a "Pause in the Battle." Why? Because the successful anti-privatization campaign failed the critical requirement for lasting victory. It failed to unmask the hoax of a Social Security shortfall, leaving the door open for future attacks and cutbacks that would undermine political support for Social Security. One of the few organizations that continually debunked the phony shortfall, **we must continue to expose this deception.**



To fortify Social Security for the inevitable, next conservative assault, the Coalition pledges:

- To raise awareness of the benefits of Social Security, our main life and disability insurance for younger Americans and our largest anti-poverty program; and
- To continue to debunk the myth of a looming funding "crisis." See below how our Quiz handles this crucial, financial issue:

QUESTION: Social Security is doing a great job for millions of Americans. But its opponents say Social Security is going broke. Just when will it go broke?

- a. in 2022 b. in 2032 c. in 2042 d. in 2052 e. Social Security won't go broke.

ANSWER: e. Social Security won't go broke, according to data from the Congressional Budget Office (CBO) and the Social Security Trustees. Using pessimistic assumptions about the future of the economy, the CBO (2004) predicts that Social Security will be fully funded until 2052.

Using even more dismal assumptions about the economy, the Social Security Trustees (2004) predict that Social Security will be fully funded until 2042 and, even then, will be collecting enough from payroll taxes to meet most of its obligations. The trustees base their predictions on an annual, real GDP growth rate of only 1.8% for most of the next 75 years. However, the U. S. economy has grown by an annual rate of 3.4% over the past 75 years.

Using a different set of assumptions, the trustees predict that even if the growth rate is somewhat higher than 1.8% but lower than in the sluggish 1980s, the funds will have a substantial surplus in 2042 that will continue to rise until at least 2080. **These more realistic, but still conservative, assumptions tell us that Social Security is safe for the indefinite future.**

All the Coalition's much used and much praised Social Security Resources, including interactive and print versions of the Quiz—in English and Spanish—are available on our website <http://www.njfac.org/SSpage.htm> Order hard copies from our office.

2005: Military Spending and Jobs: Reaching out to the Faith Community

In 2005, the Coalition continued work on a project supported by the Sharing Fund of the Riverside Church. The project began with a report by Coalition experts on military spending and jobs (available at <http://www.njfac.org/sr4.htm>). Two further initiatives based on the report are a **Quiz, *Military Spending and Jobs*** (<http://www.njfac.org/quiz-mil.pdf>) and a **Church Bulletin insert, *The Permanent War Economy***, by Rev. Dr. Douglas Grote and Rev. Finley Schaefer (<http://www.njfac.org/MilInsert.pdf>).

Here are some excerpts from the *Military Spending and Jobs Quiz*:

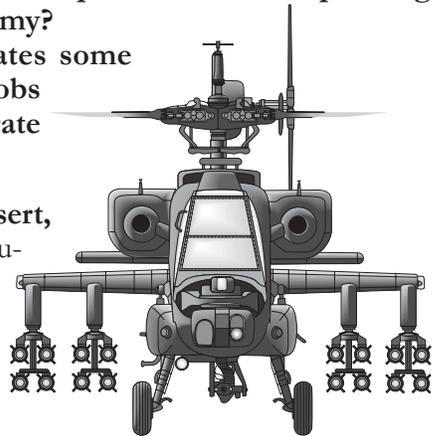
QUESTION: Why does military spending create fewer jobs than equivalent civilian spending?

ANSWER: Among other reasons, because military spending uses relatively less labor than spending on domestic programs such as school lunches, health, child and elder care, housing, urban transportation, and education—which also serve human needs.

QUESTION: Since military spending does create some jobs, is it possible for an expanding military budget to lead to a net loss of jobs in the overall US economy?

ANSWER: Yes. Even if an expanding military budget creates some jobs—e.g., building missiles—it could actually lead to a net loss of jobs in the whole economy. How? If domestic programs, which generate more jobs per billion dollars of expenditures, are slashed.

The National Council of Churches has sent the **Church Bulletin insert, *The Permanent War Economy***, to its largest database, the Church Net distribution containing about 200,000 religious leaders, congregations and para-church agencies and church affiliated individuals—a very significant proportion of the entire progressive religious leadership in the United States. Co-author of the bulletin insert, Rev. Schaefer has sent several thousand copies to clergy and religious organizations, including the Methodist Federation for Social Action and the United Church of Christ, and he continues this distribution. The Albany New York Center for Social Justice has reprinted and widely distributed these bulletins at conferences.



2005: No More Katrinas: Keeping Score on Recovery and America's Future (Enclosed)

We urge you to use the enclosed Checklist as directed on the reverse side of the enclosure. The response to Katrina could be a critical turning point, a reaction against a conservative approach to limited and neglectful government that will lead to more disasters.