Let's *Not* “Reform” Social Security (Except to Raise Benefits) June Zaccone[1]

"Social security is a job when you can work and an income when you can't." William Beveridge, U.K., 1943

ABSTRACT: With many workers lacking adequate pensions or savings, Social Security’s role is of great significance, especially for young people. It is a backstop for those who have no company retirement plan and those for whom lagging wages limit saving for retirement. Recipients are a far larger group than the retired alone. This paper describes how special Social Security is: current benefits differ from returns on private assets, and it explains why many current views are wrong: Contrary to some assertions, Social Security is **not in financial crisis;** it is **not in demographic crisis**; **and it is not unfair to minorities or women.**

[Slide1] Social Security has been in political trouble since the Reagan Administration. Republicans have mostly opposed it since the New Deal, with intermissions during the Eisenhower and Nixon Administrations.[2] As funding for the Democratic Party shifted to the financial sector, its position shifted toward Republican proposals for “reform,” meaning—cut-backs or privatization. Their frontal attack having failed, critics shifted to predicting a funding crisis. Both Presidents Clinton and Obama attempted changes. Clinton might have succeeded but for Monica Lewinsky, and so might have Obama, if intransigent Republicans had accepted his "grand bargain." Two on Obama’s team asked whether his Fiscal Responsibility Commission was "a Social Security death panel." [3] However, “reforms” after the Nixon Administration had already reduced benefits projected for 2050 by 24%.[4] Rising debt levels, driven by tax cuts and rising military spending, have renewed the debate. A recent editorial in the “liberal” *NY Times* warns that “Democrats must recognize that changes to Social Security and Medicare, the major drivers of federal spending growth…should be on the table.”[5] Nancy Altman of Social Security Works[6] more accurately calls it “a solution in search of a problem. The solution is, we’ve got to cut benefits.”[7]

[Slide2] Social Security, our most successful social program, is unique. Unlike many other social benefits, it applies to nearly everyone and never runs out. You get it whether you are "deserving" or "undeserving." You need only work and pay taxes long enough—10 years—to qualify. One in five Americans is a beneficiary; of these, more than one in four is not a retiree. A retirement blogger and ex-Forbes contributor says, “Not only is it the cheapest annuity that you can buy, but it is very difficult to find an annuity of any kind that is adjusted for inflation.”[8] Paperwork by recipients is minimal, and its administration is efficient. It fits our increasing focus on workers' benefits, like our "safety net" programs. These tend to discriminate against the neediest[9] in favor of those who work. The current shift of benefits to those with a job supports low-wage employers.[10] Millions of adults, mostly working full-time, receive Medicaid or food assistance.[11] These workers probably don't save much for retirement. Not only household help and Uber employees are without pensions. [Slide3] Companies have discovered the economic benefits of independent contractors, who have few fringe benefits compared to full-time employees, even at the upper echelon of the workforce. The website HourlyNerd, now Catalant,[12] lets companies rent MBAs.[13] Companies need not pay Social Security taxes for these workers. These workers, mostly poorly paid, are without protection in old age.

Many workers are not saving much for retirement, mainly because they can't afford to. Wage stagnation has been with us for fifty years. Many have had to cash in their retirement benefits to finance living expenses after losing a job, or these days, to keep up with inflation.[14] [Slide 4] Between about 1970 through 2020, the median income of households of those under 35 hardly rose. Incomes of those 65 and over rose most, bolstered by Social Security and pensions.

In 1979, nearly 40 percent of private sector workers had a defined-benefit pension.[15] [Slide5] Defined contribution plans took off after 1979. Defined benefits promise a specified retirement income until death, compared to a defined contribution, which specifies an employer's payment to a plan. In contrast to Social Security and defined benefit plans, defined contributions have unpredictable value at retirement,[16] depending on where the employee chooses to place the funds among investments chosen by the employer. Defined contribution plans are not necessarily insecure, for example, for workers at the same place of work for decades. Tenured faculty members at universities which contribute to retirement plans can accumulate assets over a period long enough to be ample. However, these days, employees increasingly work for several different employers over their working lives. Generally, when they move, their old employers cash out their existing 401(k)s, and they have to start again with the new employer.[17]

In 2022, 69 percent of private sector workers had access to an employment-based retirement plan. However, only 52 percent participated in them. For those with access, 54 percent had access to a defined contribution; 3 percent to a defined benefit-; and another 12 percent had access to both types of plans. [18] According to Federal Reserve data, roughly half of families had a retirement account in 2019, with a median value of $65,000.[19] The rest will depend entirely on Social Security supplemented by their own savings. Not all employers are legally required to offer a retirement plan,[20] though recent legislation [Secure Act 2.0] will expand coverage, beginning in 2025. The Act excludes firms employing ten workers or fewer, churches and government.[21] For those of working age (15 to 64) with a 401(k)-type plan, the median balance in 2020 was $30,000.[22] Data from the Census Bureau show that the median retirement account that year for workers over 65, available to supplement Social Security, is a mere $46,360.[23]

Racial and ethnic gaps in account ownership are pronounced: about 54% of white workers; 47% of Asians; 37% of African-Americans; 28% of Hispanic workers; and 36% of others (i.e., American Indian, Hawaiian et al. owned a retirement account. Men are slightly favored: 48% compared to 45% for women have accounts.[24] According to the Federal Reserve Bank of St. Louis, "the median white family had $184,000 in wealth [including retirement savings] in 2019, compared to just $38,000 and $23,000 for the median Hispanic and Black families, respectively."[25]

These days, more of the elderly have mortgages and other debt.[26] They have become a larger share of those in bankruptcy.[27] There are many ways in which the life of older workers has become harsher. Twenty-seven percent of those age 59 or older have no retirement savings.[28] One consequence is that they are working at later ages. According to a Bloomberg report,

> Rickety social safety nets, inadequate retirement savings plans and sky-high health-care costs are all conspiring to make the concept of leaving the workforce something to be more feared than desired. For the first time in 57 years, the

> participation rate in the labor force of retirement-age workers has cracked the 20% mark….the ranks of people age 65 or older who are working or seeking paid work doubled from a low of 10% back in early 1985.[29]

As a result of these changes, Social Security, originally not intended as the sole retirement income, has become increasingly important.

This paper describes how special Social Security is: how current benefits differ from owning private assets, and why many current views are wrong: Social Security is **not in financial crisis;** it is **not in demographic crisis**; **and not unfair to minorities or women**. Social Security's problem is its inadequacy as a consequence of economic and political change and a financial base undermined by wage stagnation and inequality. The real threat is political, not economic. The final section of this paper describes the real future support of old people. Hint: It's not the Social Security Trust Fund.

[Slide6] Before Social Security, needy elderly people had few supports—family, churches, and the poor house. [Slide7] "[President Roosevelt] always regarded the Social Security Act as the cornerstone of his administration," Secretary of Labor Frances Perkins recalled, "and . . . took greater satisfaction from it than from anything else he achieved on the domestic front."[30] Benefits are financed by a flat payroll tax on income, currently 7.65%, which includes Medicare, on both workers and employers. There is a cap on taxable income [$160,200 in 2023].[31] Taxable income excludes non-wage income, like interest and capital gains, so rich people pay a smaller fraction of their income than poor people. This makes it a regressive tax, though Social Security benefits are mildly progressive.[32]

The politically savvy Roosevelt explained his insistence on a tax:

> "We put those payroll contributions there so as to give the contributors a legal, moral, and political right to collect their pensions and their unemployment benefits. With those taxes in there, no damn politician can ever scrap my social security program."[33]

Social Security is social insurance. It is different from private assets—it is not a replacement for them, but private asset accounts are definitely not an adequate replacement for Social Security.

- On the down side, if **you die before you retire** and leave no family, there will be no beneficiaries from your Social Security taxes-- no assets for your estate.

Otherwise, the differences favor Social Security.

- **Benefits never run out**--they continue for your whole life, however long you live. Consequently, you don't have to guess how much money you'll need to meet basic needs.
- **Benefits are inflation-adjusted**--each year, benefits are increased if government measurements show a price increase.
- [Slide8] **Benefits are progressive—**low-wage workers receive a higher fraction of their previous income than do higher-wage workers. [Slide9] In 2021, only 10 percent of seniors lived in poverty; without Social Security, it would have been 38 percent.[34]

- In 2015, for 4 in 10 retirees, Social Security provided at least 50 percent of their income, and for 1 in 7 it provided at least 90 percent of income.[35]
- Of the 66.0 million Social Security recipients in 2022,[36] nearly 18 eighteen million beneficiaries, 27%, are not retired workers. Spouses get retirement benefits, and millions of workers and family members get monthly disability or survivors benefits.
- For a young earner with a family and average earnings, **disability and survivor benefits** are roughly equivalent to a nearly $852 thousand life insurance policy in 2021,[37] and a $580 thousand disability policy.[38] And no worker is turned down for either.[39]
- [Slide10] A 20-year old worker has a one in three chance of becoming disabled before reaching full retirement age,[40] and [Slide11] disability rates rise with age. However, according to the Organization for Economic Co-operation and Development (OECD), U,S, eligibility criteria for disability benefits are among the strictest in the world.

Only 35 percent of initial applications for disability were approved in 2022, though more are approved after an appeal or a court hearing.[41] Some politicians find it easy to portray disability recipients as malingerers, claiming benefits are easily obtained and discourage work. Disability rolls have grown because the labor force has grown, it has aged, more working women are eligible, and a later full retirement age has resulted in more people becoming disabled before retirement. Disability Insurance is for many their main source of income.[42] Many beneficiaries have multiple impairments, and many are terminally ill and die within five years of receiving benefits.[43] According to recent research, upwards of 50 percent of those over 50 with work-limiting disabilities do not receive the benefits they need.[44] This limitation has been made worse by long covid.

The protections provided by Social Security are by far the most important life and disability safeguards available to virtually all the nation's children under age 18. Social Security pays them more benefits "than any other government program."[45] So when former Senator and co-chair of Obama's National Commission on Fiscal Responsibility and Reform, Alan Simpson,[46] attacked defenders of Social Security because they "don't care a whit about their grandchildren," he's wrong—it is their grandchildren's chief social protection. Simpson, incidentally, has been a source of considerable misinformation on Social Security, for example, that it was never intended as a retirement system—only as an income supplement.[47] Social Security is our most effective anti-poverty program, pulling the most people out of poverty. In 2021, according to the Census Bureau, 26.3 million more people would have been poor without it, though our definition of poverty is itself impoverished,[48] and far less generous than in Europe.[49] [Slide12] Social Security replaces only 37 percent of earnings for those who have earned an average wage and retired at 67, compared to an OECD average of 52 percent.[50] According to the National Academy of Social Insurance, in 2021, Social Security replaced a maximum 51% of pre-retirement income for 65-year-old low-earners, down to 25% for those with maximum taxable earnings.[51] In 2022, 24 percent of men and 15 percent of women over 65 continued to work. This has risen from 18 percent of men and 8 percent of women in 1982.[52] Forty percent of these people over 65 depend on Social Security for at least half of their income.[53] Using the OECD poverty standard, in 2021 (or the latest year available) those 66 and older in the U.S. had a higher poverty rate than in any Western European country (and some of Eastern Europe).[54]

- **Its administrative costs are strikingly below those of private retirement plans**--less than ½ of 1 percent of payouts—that is, it pays out more than 99 cents of every dollar collected.[55] Compare the costs of 401ks, which, according to Dean Baker, "run in the neighborhood of 15 to 20 percent of annual retirement benefits."[56] However, because Congressional cuts have increased wait times at Social Security offices. This should be remedied by the new legislation.[57]

Social Security is social *insurance*, and its rate of return should not be compared to investment returns. It's like fire insurance. If your house doesn't burn down, you get no return for your money, though retirement or disability is more common than losing one's home to fire. However, if you need to make a claim, the rate of return can be many times more than 100 percent.[58]

The social ferment of the Depression years got us this marvel. The era was a hotbed of social movements, from Left to Right, from Communists to Fascists, unlike the tepid response to the 2008 financial crisis. [Slide13] According to analysts Sheila Collins and Gertrude Goldberg, this lack of militancy is one possible political legacy of New Deal programs like unemployment insurance, public assistance, and Social Security that provide some cushion against loss of income, [Slide14] unlike the very limited help available in the 1930's prior to the New Deal.[59]

Social Security emerged from several radical pressures: [Slide15] the Townsend Plan; the End Poverty in California [EPIC] plan proposed by Upton Sinclair;[60] Father Charles Coughlin's National Union for Social Justice, fighting to nationalize key industries and protect labor,[61] reflecting his admiration for Mussolini; and Huey Long's Share Our Wealth Society, a nationwide system of local clubs.[62] Long called for a federal guarantee of family wealth of $5,000 and income of $2000 to meet the necessities of life, including a home, a job, a radio, and a car. He proposed to limit annual incomes to $1.8 million and wealth and legacies to $5 million [about $100 million now]. Pensions of $30 per month [about $600 now] would go to everyone over age 60.[63] Coughlin, an anti-semitic populist, had one-third of the nation listening to his weekly broadcasts in the early 1930's.

[Slide16] The Townsend plan was probably the most significant pressure. One day in 1933, Francis Townsend, "a one-time hay farmer, dry-ice manufacturer, real estate agent, and physician living in Southern California," was enraged by the sight of three old women rooting in garbage for food. In a letter to a local newspaper, he described his plan for ending the Depression: a $200 a month pension for all retirees over 60. A 2% federal transactions tax, like a value-added tax, would fund it.[64] This, he argued, would both stop mass poverty of the elderly *and* expand the economy with their spending[65]--recipients had to spend it all within a month. With an average monthly wage in 1935 of only about $100 a month, the plan was both very attractive and very impractical.

> "The elderly doctor's message spread like wildfire. "Townsend clubs" sprang up across the nation, gathering at least 1.5 million members in the first couple of years. By 1935, 56 percent of Americans favored adoption of the so-called Townsend plan—influencing the establishment of the Roosevelt administration's Social Security Act that same year."[66]

Secretary Perkins, who headed the committee planning the legislation, describes the effect of the Townsend movement: "One hardly realizes nowadays how strong the sentiment in favor of the Townsend Plan and other exotic schemes for giving the aged a weekly income. In some districts the Townsend Plan was the chief political issue, and men supporting it were elected to Congress."[67] Roosevelt told members of the Congressional committee considering both the Townsend Plan and Social Security, "Congress can't stand the pressure of the Townsend Plan unless we have a real old-age insurance system….," and urged Congress to reject "untried and demonstrably unsound panaceas."[68]

[Slide17] The New Deal created the program in 1935,[69] and it has subsequently been expanded. In 1939, benefits for dependent wives, and survivors benefits for widows and dependent children were added, eventually extended to widowers and same sex couples.[70] Because the Townsend Movement and other groups continued to agitate, the expansion occurred despite the loss of New Deal Congressional power in 1938.[71] [Slide18] A movement of the unemployed fought for unemployment insurance, and this was part of the 1935 Act but funded separately.[72] [Slide19] Unfortunately, health insurance was omitted because of opposition from doctors, with the exception of limited grants to states for maternal and child health services.[73] Disability benefits were added in 1956, Medicare and Medicaid in 1965, and inflation adjustment in 1972--"to maintain the purchasing power of benefits no matter how long someone lives."[74] Most recently, benefits were extended to same-sex couples. Unfortunately for black workers, domestic and agricultural workers were not granted Social Security protections until 1948 and 1950, respectively. These categories constituted 65 percent of black workers[75] in the 1930s. This exclusion, along with that of other legislation helping to create the middle class,[76] is one example given by Columbia political scientist, Ira Katznelson, in his book, *When Affirmative Action Was White*: that programs that helped create the white middle class, like federal housing loans and the GI Bill of Rights after WWII, intentionally excluded black people from many benefits because of racism and the Congressional power of Southern politicians.[77]

Well, it's a great program, but can we afford it? Conservatives have been the lead critics since the program's inception, treating it as a threat to our democratic institutions. Here are some Republican critiques during the Congressional debate in 1935:

> "Never in the history of the world has any measure been brought here so insidiously designed as to prevent business recovery, to enslave workers and to prevent any possibility of the employers providing work for the people," said Rep. John Taber (R-NY). Rep. James W. Wadsworth (R-NY) cautioned that passage of Social Security would open the door to a government power "so vast, so powerful as to threaten the integrity of our institutions and to pull the pillars of the temple down upon the heads of our descendants."[78]

Republican President Eisenhower accepted the necessity of Social Security and wrote, in a 1954 letter to his brother, describing opponents as "negligible" in number and "stupid:"[79]

> …the Federal government cannot avoid or escape responsibilities which the mass of the people firmly believe should be undertaken by it. …Should any political party attempt to abolish social security, unemployment insurance, and eliminate labor laws and farm programs, you would not hear of that party again in our political history.

How did the opposition grow? By 1964, Senator Barry Goldwater had resumed the frontal attack by proposing to make Social Security voluntary, an idea picked up by David Koch in his vice-presidential run in 1980.[80] The direct attack didn't work. Predicting its financial bankruptcy has been a far more effective strategy. This has convinced many younger people that Social Security "will not be there for them when they are ready to retire."[81] The Reagan era gave us the first Social Security panic attack in 1981, apparently related to the deficits generated by its tax cuts.[82] A Brookings analyst describes the 1981 tax cuts:

> The Reagan tax cut was huge. The top rate fell from 70 percent to 50 percent. The tax cut didn't pay for itself [as the Supply-Siders alleged it would do]. According to later Treasury estimates, it reduced federal revenues by about 9 percent in the first couple of years. In fact, most of the top Reagan administration officials didn't think the tax cut would pay for itself. They were counting on spending cuts to avoid blowing up the deficit. But they never materialized.[83]

Instead, other taxes were increased; Social Security was a major offset.[84] Economist Martin Feldstein,[85] who headed the Reagan Council of Economic Advisors [1982-84], later wrote "Balancing Lost Tax Revenue the Reagan Way." In it, he advised, "The bipartisan Social Security legislation enacted during the Reagan administration [1984] provides a useful history lesson for how to offset deficit increases." He describes how "gradually increasing the Social Security eligibility age can offset revenue loss from Trump's tax cuts."[86]

Originally, Social Security was roughly pay-as-you-go—current workers paid taxes that covered the benefits of retired workers, with the Trust Fund holding minor surpluses. To meet its obligations, payroll taxes had been raised fourteen times between 1937 and 1980, seven times between 1980 and 1989, with none since.[87] The National Commission on Social Security Reform, headed by former Federal Reserve Chair Alan Greenspan, was set up to "save" Social Security by accumulating a surplus to prepare for the retirement of the baby boomers, born between 1946 and1954. In 1983. The Commission's plan was adopted, accelerating increases in the payroll tax,[88] gradually raising the retirement age by two years, to 67,[89] and initiating taxation of Social Security benefits.[90] It was called a bipartisan "reform," and it generated large Trust Fund surpluses[91] for the first time. To quote a Brookings study, "Democrats accepted a six-month delay in the annual cost-of-living adjustment and the increase in the retirement age, while Republicans accepted a faster-than-planned rise in payroll taxes and a substantial tax increase on the self-employed."[92] Taxation was further increased by the Clinton Administration in 1993, with income tax on higher income receivers increased to 85% of taxable benefits, compared to Reagan's 50 percent.[93] The Trust Fund was a stealth increase in taxes on the majority of workers, with little economic benefit to Social Security, but it was one way of paying for tax cuts.

A widespread belief has been created that Social Security faces "looming insolvency." "The persistence of this…belief provides one of the most compelling examples of how politics, powerful interest groups, and pervasive intellectual sloppiness on the part of those who inform the public can…cause policy debates to take place under completely false premises."[94] **Just because there's bipartisan consensus on a Social Security crisis doesn't mean there is one.** Crisis proponents cite its projected long-term funding problems. These are now estimated to begin in 2034,[95] when the Trust Fund is projected to be depleted and to meet obligations fully, benefits must be cut or taxes raised. So critics conclude that Social Security must be cut *right now*![96] As we'll see later, this policy implies that it is possible to prepay future Social Security obligations—though it is not. I want to show that there is no crisis, explain why many have concluded that there is, and why, even if Social Security will run short, there is no point in cuts now.

After the Reagan "reforms," a surplus of taxes and interest over benefits accumulated, once the early1980's recession was over, offsetting increases in other spending or tax cuts. In 1984, the Trust Fund amounted to $27.1 billion; by 1988, it had nearly quadrupled, rising to a maximum of $2.8 trillion by 2017. As late as 2020, assets rose, though since then assets have fallen, reaching $2.7 trillion in 2022.[97] These assets have begun to diminish, and interest on the Trust Fund has been tapped since 2010.[98] When the time came to use interest paid to the Trust Fund, this became evidence, as CNN announced, that Social Security "reaches the final financial tipping point. The system is now paying out more than it's taking in."[99] Use of the Trust Fund implies higher taxes or borrowing to pay for the bonds or interest. Paying back some of the money lent to the Treasury by Social Security meant "Social Security needs 'saving' once again. …the use of the trust fund that had previously been the mechanism by which it was 'saved' is now the chief indication that the program is in dire danger."[100] [Slide20] It is odd that the Trust Fund, built by taxes on workers, two-thirds of whom pay more payroll than income taxes,[101] have been used to fund tax reductions for the rich. When rising debt triggers a political response, the threat is to pensions and other "entitlements," not benefits to the politically powerful. According to a *New York Times* columnist, "…for the government to actually make good on these i.o.u.'s … is sort of like saying that you're rich because your friend has promised to give you 10 million bucks just as soon as he wins the lottery."[102] Can you imagine saying this to a corporate or foreign official holder of US Treasury bonds? The mark of a serious person is taken to be the belief that Social Security needs major "reform," that is, cuts. Would rebuilding the Trust Fund protect Social Security's future? We'll see.

Don't depend on many Democrats for protection of Social Security, either. The next threat came from the Clinton Administration in the 1990s, by which time the Democratic Party had shifted toward neoliberalism. After passage of NAFTA [1994] and essentially a repeal of our welfare program, Aid to Families with Dependent Children [1996], Social Security had a near escape in late 1998.[103] Clinton's Chief of Staff, Eskine Bowles, "cut a deal with Newt Gingrich that would have partially privatized Social Security if the Monica Lewinsky scandal hadn't derailed their plans."[104] Bowles,[105] who co-chaired Obama's Deficit Commission with Simpson, was a director of Morgan Stanley, a Wall Street bank which had been saved by the taxpayer bailout. He announced, "We're going to mess with Medicare, Medicaid and Social Security because if you take those off the table, you can't get there." Eleven of the 18 Deficit Commission members were known supporters of privatization. The Commission's proposed remedies to the Federal deficit included raising the retirement age further, to 70, and cutting benefits for all but the poor. Two of Obama's Social Security advisers asked whether the Commission is "a Social Security death panel."[106] Understand that cuts in Social Security are a call to use surpluses created by a regressive tax on working people, many too poor to pay income taxes, to fund military or other government functions or tax cuts.[107]

A widespread belief has been created that Social Security faces "looming insolvency." "The persistence of this…belief provides one of the most compelling examples of how politics, powerful interest groups, and pervasive intellectual sloppiness on the part of those who inform the public can…cause policy debates to take place under completely false premises."[108] Just because there's bipartisan consensus on a Social Security crisis doesn't mean there is one. Crisis proponents cite its projected long-term funding problems. These are now estimated to begin in 2034,[109] when the Trust Fund is depleted, and to meet full obligations, benefits must be cut or taxes raised. So they conclude that Social Security must be cut *right now*![110] As we'll see later, this policy implies that it is possible to prepay future Social Security obligations, though it is not. I want to show that there is no crisis, explain why many have concluded that there is, and why, even if Social Security will run short, there is no point in cuts now.

[Slide21] The latest report (2023) shows that the Trust Fund decreased in 2021 and 2022: in those years, payroll taxes and interest on Social Security bonds were insufficient to pay benefits and costs.[111] Conservative think tanks like the Peterson Foundation claim that "Fixing the budget requires addressing the root cause of the long-term deficits: escalating Social Security and Medicare shortfalls."[112] The Congressional Budget Office makes a similar point.[113] This is a misleading, and unfair, interpretation, though not a rare one. Though Social Security is a good chunk of federal spending, its payments are legally limited to what it collects in payroll taxes and funds it has accumulated in its Trust Fund. Social Security can't add to the deficit, at least in the usual sense.[114]

Shortly after passing a $1.5 trillion tax cut and Department of Defense budget of $675 billion in 2018,[115] "Senate Majority Leader Mitch McConnell said …that the only way to lower the record-high federal deficit would be to cut entitlement programs like Medicare, Medicaid and Social Security."[116] How is it possible that programs funded with dedicated taxes [Medicare (partially) and Social Security], unlike, say, the military budget, can be faulted for adding to deficits? The reason Social Security can enter this calculation is that use of the Trust Fund bonds requires funding through the budget. This is true for *all* government bond-holders [creditors]. If Social Security is adding to the deficit, so is any other obligation held by a bond-holder like Citibank. Whoever receives interest on a government bond or cashes it in "contributes" to the deficit. These include US banks and citizens and foreign governments and citizens. Apparently, all but Social Security recipients have a right to be repaid for their loans. Conservatives have taken to mis-describing Social Security as "a Ponzi scheme,"[117] and the Trust Fund, "nothing more than IOU's."[118] As economist Ellen Frank says,

> "These bonds, like those issued to any other creditor, represent a promise on the part of the U.S. government to eventually raise revenue (by taxation or otherwise) and pay back this debt. …. Paying out this interest now seems to be a promise that conservatives have no intent on honoring. To honor these promises would require that general revenue, primarily from the more progressive federal income tax, which mostly hits high earners who have little need for Social Security benefits, would be used to pay benefits to poorer elders—an explicitly redistributive policy which conservatives vehemently oppose.[119]

Unlike Social Security, rising costs of our private health care system[120] and rising military budgets (and tax cuts) ARE related to the deficit.

According to estimates of the most recent Trustees Report [2023], the Trust Fund will be depleted in 2034. The Report estimates that taxes will be sufficient to pay 80 percent of larger, scheduled benefits then.[121] Economist Barkley Rosser calculates that when the trust Fund runs out, benefits will have increased so that cuts "would put real benefits back to about where they are now in real terms."[122]

In short, the latest projections by the Trustees show that the Social Security program will be able to pay scheduled benefits until 2034 *with no changes whatsoever***.** The 2023 debt limit negotiations included a threat to Social Security.[123] Do you know any other social problem for which there is so much political energy in search of a solution? Compare this response to that to the crisis of climate change.

The data cited come from an annual report of the Social Security Trustees based on actuarial projections. To do these, actuaries estimate economic growth, the size of the labor force and its productivity, unemployment, wages, immigration, fertility, disability, retirement experience, mortality, interest, inflation rates, etc., etc. for the next 75 years. All these are, to a greater or lesser degree, uncertain. To give you some idea of their accuracy, consider this example: in 1997, actuaries predicted the crisis would occur in 2029;[124] five years later, because employment and growth were greater than expected, the predicted crisis of the 2004 report was postponed until 2042[125]—13 years later. Our growth, wage slowdown and inequality have shortened the current projected time to 2034. Their predictions for even the following year have been wrong. This is not to denigrate the actuaries: it is only to point to the hazards of long-term predictions. Projections several *decades* from now are treated as facts, solid enough to destroy our most effective social program--even though predictions for *one year* in the future are wrong. Economist Mark Weisbrot agrees: "…this projected shortfall, which for all its predictive power might just as well be read from Tarot cards, provides the entire intellectual foundation for the idea that Social Security needs to be 'fixed.'"[126] Consider the impossibility of crafting estimates which include the effects of climate change for 2100, the last year for intermediate projections. That variable has not been included.

In the past, the health of the Trust Fund resulted from growth, employment, and wages. These are critical because they determine how fast Social Security revenues grow: faster economic growth means more workers are needed to produce more output. Wages tend to rise, especially if workers and their unions are not disempowered, so more people pay higher payroll taxes.[127] Unemployment, wage stagnation and inequality have been politically transformed into a problem of "greedy seniors." It is unlikely, even undesirable, that growth can be maintained when we transition to a sustainable environment. It will then become even more imperative to attack inequality, which now undermines Social Security finances, and will then require a declining standard of living for the majority.

How has the public been convinced that there is a crisis now? Or, as economist Ellen Frank asks, "Why then, if the program has (unlike the rest of the federal budget) produced massive surpluses over the years, is Social Security a target for the 'entitlement reform' that conservatives insist upon?"[128] Apart from sheer repetition by media and politicians, many people are swayed by what seems intuitively obvious: a growing cohort of retirees are too many for the working-age population to support. In particular, the concern is with large numbers of baby boomers—the postwar generation creating a population bulge. But the working-age population must support all the dependent population, which includes children, not only old people. And though it is true that the proportion of all dependents is expected to be higher in the next century than it is now, that proportion will be well *below* what it was from 1960 to 1975, when the baby-boomers were children and schools had to be built. If we could afford them then, why not in the next century, when we might be richer if we address the problem of climate change?

Let's be specific: according to the doomsayers, the crisis comes from the decline in the number of workers per beneficiary—from 4.0 in 1965 to 2.8 in 2022 to an estimated 2.1 beginning in 2081.[129] A scary thought. However, compared to times when there were many more workers per retiree—say 1965—it takes fewer farmers to grow a bushel of wheat; fewer bakers to bake our bread; fewer mechanics to make a car, and fewer tellers per bank customer, though not likely fewer aides to care for nursing home residents, unless they are replaced by robots. Result? Fewer workers needed to support a retiree. Were this not true, any poor country, with many workers and few retirees, would be far better able to support its retirees than a rich country like the US. It is not sheer numbers of workers, but their ability to produce—their productivity [output per worker]—which is important to our livelihood. This is true both for producing the goods and services we need and permitting higher wages on which taxes are levied to fund SS benefits.

The policies of the last few decades do put Social Security at risk—the failure to renew our productive base and infrastructure and to respond to the challenges of climate change; rising inequality, which limits wages subject to Social Security taxes, and the political failure to ensure that higher wages follow productivity improvements. [Slide22] The income cap, to which the employment tax is applied, is adjusted every year to rising average wages and is $162,200 for 2023.[130] When this cap was last set, in 1983, the tax applied to 90 percent of wages. In 2021, it applied to only 81.4 percent.[131] Rising inequality has delivered a major share of income gains to those with incomes exceeding the cap, and much in non-taxable forms.[132] The top 1% of earners make "nearly 20 times what a worker in the bottom 90 percent earned."[133] The larger wage share of the top 1% "accounts for 62 percent of the increase in untaxed earnings."[134] The U.S. leads industrial countries in the share of poverty-wage jobs: "25.3 percent…compared to 3 percent of jobs in Norway."[135] Our minimum wage has not been increased since 2009.[136] Then, too, the wage share of income has declined, and the capital share has risen.[137] If the taxable base had remained at 90% of wage income after 1983, $1.4 trillion more would have been added to the Fund by 2022.[138] There are proposals in Congress to tax higher incomes, including non-wage income.[139] Yet another drag on Trust Fund revenues is wage stagnation. Rising wages are a key to the health of the system. If the typical worker's wages had risen with productivity since 1983, Trust Fund assets would have been $570 Billion larger by the end of 2017.[140] In 2022, the minimum wage was "at its lowest point in 66 years…and 40% less than in 1968….. Productivity has grown 3.7 times as much as worker pay since 1979."[141]

What about privatization—diverting funds to private accounts—as a solution? Privatizers claim that buying corporate shares would give higher returns than government bonds bought by Social Security funds. The conservative Cato Institute expects that this would be "a big boost for the poor."[142] Our economic future, according to the Social Security Trustees, is gloomy. However, miraculously, this dim future is one in which the stock market yields a hearty return. How can the stock market yield real returns higher than the growth rate of output? It has done so by redistributing income from non-stock holders, like employees. But how, when many more are stock-holders? Are the privatizers counting on the rest of the world to provide? Another limitation of such comparisons is that private investments are riskier--that's why they promise higher returns. They also don't include disability and survivor insurance as part of the return. Nor are young people assured that paying 7.65 percent tax means "your parents, grandparents …(not to mention your widowed Aunt Sally with her children…) will not have to live …with you."[143] In comparing returns to stocks with Social Security, privatizers don't include the much costlier administration of millions of small accounts.[144]

[Slide23] Few people are sophisticated investors. Studies using anonymous clients have found that financial advisers have a tendency to give advice more to their own than to their clients' interests.[145] They "reinforced their clients' misguided biases, encouraging them to chase returns and advising against lower-cost options."[146] The *Financial Times* reports that "…the academic literature on behavioural finance makes clear that…We are hard-wired to make mistakes with our investments, to get sucked in and buy at the top, and to despair and sell at the bottom."[147] Stock fluctuations in earnings can be serious to a poor retiree. There are years when stock market performance yielded lower returns than government bonds. Between 1965 and 1985, for example, holding stock gave returns averaging 0.7 percent, assuming management fees of only 1 percent. The timing of purchases and retirement makes enormous differences in returns. Enron employees with pensions in company stock lost most of their assets as the company collapsed. And, without a Social Security system as a backup pension, private pension funds would have to adopt less risky and therefore less lucrative assets.

- If there were a funding crisis, privatization, rather than curing it, would add new problems. One is the transition problem. The Trust Fund has already been spent and replaced by government bonds. Only current revenues are available, and these are needed for benefits. If funds are diverted into individual private accounts, either the government's general revenues must be used to pay current recipients, or their benefits must be cut. Of course the President's Commission preferred the latter, and creating a sense of crisis is a good way to get people to accept benefit cuts.

Funneling the Trust Fund into stocks would not create much real wealth for those living at the time of the projected crisis. Let's see why. Most corporate investment is internally financed--that is, through profits and depreciation allowances, plus some borrowing, not through stock issues. These are important for some startups, but not for established companies. Between 1946 and 1979, an era of fast growth, US non-financial corporations financed just 5% of their investment through selling stock. It is fortunate we are *not* dependent on the stock market for investment: [Slide24] between 1980 and 1996, more stock was retired than issued. This reversed during the late 1990's expansion,[148] but resumed. In 2022, stock buybacks were $1.2 trillion,[149] larger than pension fund, retail investors and other stock purchasers.[150] Typically, buybacks far exceed new issues, suggesting that if corporations are not investing enough, the reason is not a shortage of funds.[151] If Social Security funds are used for stock purchases, the major effect will be to drive up stock prices, enriching previous stockholders, not to raise productive investment to support the standard of living.

Even money managers, like Black Rock CEO Lawrence Fink, are concerned: the effects of this short-termism, he says, is "at the expense of investing in innovation, skilled work forces or essential capital expenditures necessary to sustain long-term growth.'"[152] Buybacks could also have raised wages or been taxed for public investment in infrastructure. All this would have increased consumer demand and encouraged adding capacity. What changed corporate behavior? In 1982, the Reagan Administration made corporate buybacks legal, shareholders favor them, and they are profitable for CEO's.[153] A sluggish economy doesn't help, nor does a high target profit rate, or greener foreign pastures. Corporations are currently sitting on over a trillion in retained earnings.[154] Providing these companies with more funds will not spur them to the investment we need.

[Slide25] The Peterson Institute claims that "One of the major drivers of Medicare and Social Security costs is the aging of the population."[155] This claim about longer life expectancies is exaggerated: though life expectancy *at birth* has risen sharply, from 63 in the 1930s to 78.8 in 2019,[156] a nearly 16-year gain, this reflects the decline in infant and youth mortality rates, and is irrelevant to the fiscal health of Social Security. What counts is life expectancy *at retirement*, because that defines the length of time the typical person receives benefits. In 1950, life expectancy at 65 was 78.9. By 2019 it had risen to 84.6, a gain of 5.7 years,[157] though gains are not uniform. Black men, for example, had gained 3.5 years of life by 2017, compared to 5.3 years for white men.[158] Gains in life expectancy also have a class bias. Those with higher income have longer life expectancy, and the gap is growing.[159] The gap reduces the effect of the progressivity of benefits because high-wage beneficiaries live longer.[160] [Slide26] Further, mortality variables are included by the Social Security actuaries and so are reflected in projections.[161]

What about Social Security's fairness to minorities and women? Some claim that minorities, who have shorter lives, lose because many die before retirement and therefore gain nothing. Blacks and Hispanics have shorter life expectancies than whites, and the gap between white and black men has increased. Though black men tend to collect Social Security over a shorter period, they nevertheless benefit: their higher disability rates and earlier death mean that minorities are much more likely to need disability and survivor provisions; and the progressive benefit formula for lower-wage workers more than offsets longevity differences. Further, low life expectancy is largely due to high death rates in childhood and young adulthood. Black men who make it to age 65 can expect to live and collect benefits for an additional 16 years.[162] Finally, as they are less likely to receive pensions, they rely more heavily on Social Security for retirement income than whites.

Because many minorities and women are lower-income workers**,** they especially need Social Security's progressive benefit formula. Women also need it because we live longer than men and might otherwise outlive assets, and because when a husband dies young or becomes disabled, his family is protected. Minority men who die young may nevertheless leave families who benefit from survivor insurance. Women [and men] who have never worked or who have not worked long enough have no private pension but are covered by spousal benefits. These are equal to 50% of their spouse's benefit, assuming this is larger than the benefit to which they are already entitled. This provision now includes same-sex couples. Without Social Security, in 2021, 40% of elderly women would be poor, compared to 12% with Social Security; for Blacks, these data are 50% and 18%; for Latinos, 44% and 19%.[163]

[Slide27] Former Senator Alan Simpson, who has a substantial government pension,[164] refers to the elderly as "greedy geezers,"[165] and said most of his mail was coming from "These old cats 70 and 80 years old who are not affected in one whiff. People who live in gated communities and drive their Lexus to the Perkins restaurant to get the AARP discount."[166] Are seniors so well off? [Slide28] Those 65 and over have the lowest median income—slightly under $50 thousand in 2021.[167] The average family benefit for a retired worker and spouse is $2,963 monthly [2022] [168]—not exactly easy street. Social Security benefits were cut by the Reagan Administration.[169] Changes in calculations of the consumer price index reduced the annual inflation adjustment.[170] [Slide29] Older people are working longer, many because they need the funds, and also because they are sought by employers as cheaper, and perhaps more reliable. The fraction of the 55 and over who are working has risen, and frequently they are in low-paying jobs.[171] Many of these have little in retirement savings.[172]

Why not raise the retirement age? Many critics recommend cuts by raising the retirement age to 70.[173] The final stage of one of the Reagan Administration "reforms" will be reached in 2027, when the age to receive full retirement will become 67 after a gradual rise from 65.[174] Life expectancy has been declining: between 2019 and 2021, by 2.7 years for the total population.[175] A majority of retirees begin Social Security benefits before the full retirement age.[176] A new study finds that "more than one-fifth of older workers… start claiming Social Security benefits as soon as they are eligible" while still working.[177] And of course the rate is highest for low-wage workers, who then suffer lower Social Security benefits for the rest of their lives.

It is already too late for many older people forced out of the work force by our chronic unemployment, or for working class men who have jobs that age them prematurely, like mining or construction. Though there are fewer such workers, many workers 55 to 64 years old toil in physically demanding jobs.[178] This is true of 30 percent of white workers and over 45 percent of Black and Hispanic workers.[179] There is already a substantial penalty of 30% reduction in benefits for those born 1960 and later who retire at age 62. Raising the age of full retirement increases this penalty. For those born 1960 and later, delaying retirement until 70 increases retirement benefits by 24 percent.[180] [Slide30] It is not widely appreciated that raising the age at which retirees receive full benefits reduces Social Security benefits for all retirees.[181] Raising the retirement age to 70 would cut current benefits by almost 20 percent.[182]

Why is a program that has (unlike the rest of the federal budget) provided surpluses to the budget for decades such an insistent target of entitlement "reform"? Perhaps two reasons. One stems from following the money. [Slide31] The financial sector would benefit from Social Security funds, which would drive up stock prices, creating profits and bonuses. Think tank consultants, politicians, and others proposing cutbacks are unlikely to be dependent on Social Security. The program also shows that government programs can be efficiently run, a rebuke to those who assert private sector superiority over the public sector. Economist Ellen Frank suggests a deeper political problem, previously mentioned: paying out Fund interest might require raising taxes to pay benefits.[183]

Though a "crisis" doesn't exist, attacks on Social Security have resumed. Now the attack is explained by deficits which, though arising from massive tax cuts for the top and largess to the military, are blamed on

Social Security, the only program among these that is supported by a dedicated tax. Since Reagan, Republicans, except for Bush 1, have embraced deficits and debt for military spending and tax cuts for the rich. Their former austerity embraces only social spending. (In fact, they are right about deficits: they are only limited by the capacity of our economy to produce.) Even conservative Alan Greenspan agrees:

> [Congressman Paul] Ryan asked [then-Fed Chair] Greenspan if there was a way to ensure the solvency of Social Security through the use of personal retirement accounts. Greenspan's response was eye-opening. He told Ryan, "There's nothing to prevent the federal government from creating as much money as it wants and paying it to someone."[184]

This view approximates that of Modern Monetary Theorists and is increasingly recognized as valid. A *Financial Times* blog, for example, notes, "Like modern monetary theorists, Congress already appropriates away until it reaches real-world restraints on how much it can spend. It just hasn't reached any for almost the last two decades. When Washington wants something—to fight a war, to cut taxes—it appropriates. And so arguments about balancing budgets aren't actually about constraints. They're about priorities. Important programs get appropriations, full stop. Unimportant programs need to be paid for with taxes. Or, in Washington: 'We can't afford that' actually just means 'I don't think that's very important.'"[185]

Asking current politicians to "reform" Social Security is like asking them for tax reform or to address climate change. Even liberal supporters provide wrong-headed proposals to "save" Social Security, like cutting off top income receivers to save money. This wouldn't save much and would undermine Social Security's political strength. That it has been considered "a third rail" results from its universality. Former Secretary of Health, Education, and Welfare Wilbur Cohen, who worked for both Presidents Roosevelt and Johnson, asserted, in a debate with Conservative economist Milton Friedman, that "A program for poor people will be a poor program." Friedman had urged privatizing Social Security but later commented on the profundity of Cohen's remark, "Look at what happened to Aid to Families with Dependent Children: It was a program designed for poor people—it was a poor program…..You need to have a universal program to have the backing of society as a whole…."[186] There are other benefits of universality. Would our own intrusive airport screening continue if there were no private jets or special lines to let "the new Masters of the Universe," to use the *Economist's* term,[187] escape the ordeal?[188] In this era of mostly unchecked corporate power, social programs need all the support they can get.

Our chronic deficits stem, not from Social Security but primarily from two costly but damaging political choices: bloated spending to support a global military presence and tax cuts for the privileged. The former is an attempt to maintain an obsolete, unipolar world, and the latter has generated a return to 1920's inequality, with a new set of billionaires with power to shape domestic priorities through their financing of both political parties and through their private equity takeovers in education, healthcare, retail services, and more.[189]

Finally, let's look at the Social Security Trust Fund. Economist James Galbraith tells us

> Social Security is not "underfunded." It is not, in fact, possible to pre-fund Social Security. Tomorrow's Social Security will be paid by tomorrow's workers, out of tomorrow's national product…. Those trust funds are just an accounting device, wipe them out and nothing would happen; today's surpluses are just as irrelevant, in economic terms, as tomorrow's deficits. Regressive payroll taxes today buy jet fighters and aircraft carriers. It would not be a bad thing if, twenty years from now, some progressive income taxes were used to pay for pensions.[190]

Many people think the trust fund is a pile of cash in a government safe. When they find out that there is no pile of money, they think Social Security has been robbed. What has happened is this. The Social Security surplus must by law be used to buy special bonds that are guaranteed by the U.S. Government. These make up the Social Security Trust Fund, and they can be redeemed at any time at face value. Thus the trust funds have the flexibility of holding cash.[191] At the present time, the Fund is worth nearly $3 trillion[192] ($2.7. trillion in 2022). What does the government do with the money? It spends it and replaces the cash with bonds. Whenever Social Security benefits exceed payroll taxes, these bonds will be converted into cash to meet the deficit. If the surplus were not put back as spending, our chronic tendency toward unemployment would be even worse: taxes reduce spending, and the loss would not be offset.

Former President Bush 2 reflected other conservative opinion when he warned future beneficiaries that "there is no Trust Fund; just IOU's,"[193] implying that the government might renege on its debt.[194] The government is obligated to repay these bonds, just as much as it must repay bonds held by banks, corporations, or foreign governments. Don't try to tell *them* they won't be paid.

Would anything be different if the trust fund were "invested" on Wall Street? No. Wall Street would spend the money, too, using it for salaries, mergers, stock buybacks, or, less likely, investment.[195] The money gets spent. The only question is on what. And that question is important, because what will support the elderly decades from now is our capacity to produce the clothing, food, housing and recreation *then* that people need in order to live. Cash in a "lockbox" won't help.

To understand this, imagine being stranded on a desert island with $1 million in cash, but no food or tools. It would quickly be obvious to you that until a ship comes by to sell you goods or to carry you away for a price, your money is useless. After a few days, you might be willing to exchange all your cash for bread and water. You need food and drink, and money is only a way of *financing*, not of *providing* them.

We assume that as individuals, if we have the money, we can get the goods, and usually this is true. But what is possible for individuals is not necessarily true for the whole social system. What we as a society consume at any time comes primarily from what we produce or import and what nature provides *at that time*. How much our standard of living increases depends on how much we have invested in people, machines, and knowledge—and how we treat the natural world.

When future retirees spend their benefits, they'll be buying goods and services produced by future workers. The bagels eaten in the future must be boiled and baked then. If the workers of 2035 and beyond are uneducated and ill-fed, if their tools need repair, if the environment is ravaged, there will be little for the aged, regardless of how big the Trust Fund is, or for that matter, how high stock prices are. Pensioners will be competing for sustenance with workers and young people and stock owners. There will either be massive inflation or tax increases to cut spending of the rest of the population. Money can't feed or clothe us. We will have only two things to fall back on: the skills, creativity, and health of our children and the tools and other real assets we construct and protect now for future use. We cannot as a society save *money* against the future, but we can *prepare* for it.

It is late for the best remedy: requiring that the billions of dollars in the trust funds be spent on economic renewal. The trillions in surpluses from a tax on worker income should all have been spent, as economist Ellen Frank recommended—not for stocks or bonds or tax cuts, but on investment. *Real* investment expands our ability to produce in the future by creating a sustainable environment, rebuilding manufacturing, funding research, protecting farmland, maintaining infrastructure—and improving workers' health and skills. Imagine the social improvements we could have had—more teachers and medical staff; schools and housing; research and technology; energy-efficient transportation and alternatives to fossil fuels; environmental cleanup; education and care for our children.[196] Our wealth is in our young people, the quality of their tools and natural resources, *not* money. The proposal to invest the remaining Trust Funds recognizes this.

What really supports the elderly and other dependents at any time is production. This means that the best support for Social Security is real investment now and, for this to translate into Social Security revenue, *good jobs, real full employment, sustainable development, and less income inequality*. Achieving these goals is critical—the more people employed, the higher their wages, the less inequality, the more will be available to support retirees. A guarantee of a job for anyone who wants one at a decent wage and an income distribution less unequal than that of past generations are clearly the best possible Social Security fixes. And of course without an adequate response to climate change, the rest is useless.

When the Trust Fund runs out, it should return to its original purpose[197]—holding modest surpluses to meet temporary excesses of benefits over payroll taxes. Social Security taxes should be set to cover current expenses, because, as previously noted, these expenses cannot be prepaid in real terms. A fair proposal would be to set the earnings cap at a level sufficient to ensure that current expenses of Social Security are met. Better yet would be reversing the inequality and wage stagnation that have cost the system so much.[198] [Slide32] What should be done to "reform" Social Security?[199] To quote the late economist Robert Eisner, "Social Security: More, Not Less."[200] Congress should extend benefits to those whose employers do not pay Social Security taxes and raise benefits to reflect the inadequacy of retirement savings facing much of the work force and the resulting poverty endured by so many.

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[1]The author is Assoc. Prof. (Emerita) of Economics, Hofstra University, and Board Member (Emerita) of the National Jobs for All Network [formerly National Jobs for All Coalition], now its web updater. Dedicated to the memory of the late Prof. Helen Lachs Ginsburg, who was a Social Security expert and one of the editors of our first publication on the misdirected concern about this

subject. *The opinions are my own and do not represent those of the Network*. I have depended on, and am grateful for, research and reports done by a variety of experts on retirement. These include economist Ellen Frank, Nancy Altman, Social Security Works, Dean Baker, CEPR, Kathleen Romig and others at CBPP, Jim Naureckas and others at FAIR, and Monique Morrissey and others at EPI. And of course the Social Security actuaries. Special thanks to Prof. Trudy Goldberg, NJFAN Chair, for her thoughtful editing. https://www.ssa.gov/history/trustfunds.html provide data from thirties.

[2] Eisenhower: "Should any political party attempt to abolish social security, unemployment insurance and eliminate labor laws and farm programs, you would not hear of that party again in our political history." Nixon raised benefits, added inflation adjustment.

[3]They now head *Social Security Works*. https://www.cbsnews.com/news/obamas-deficit-panel-draws-ire-from-liberals/ and http://www.niemanwatchdog.org/index.cfm?fuseaction=ask_this.view&askthisid=456

[4] https://waysandmeans.house.gov/sites/democrats.waysandmeans.house.gov/files/documents/NAltman%20Testimony.pdf This link is now broken, but here is some history: https://www.ssa.gov/history/reports/crsleghist3.html

[5] "Anything less will prove fiscally unsustainable." No mention of military spending. https://www.nytimes.com/2023/07/05/opinion/debt-crisis.html

[6] https://socialsecurityworks.org/ "Altman was Alan Greenspan's assistant while he was chairman of the 1983 bipartisan commission which produced the 1983 Social Security amendments." https://www.nasi.org/member_spotlight/nancy-j-altman/

[7] https://fair.org/home/the-one-part-of-our-retirement-income-system-that-works-is-social-security/

[8]https://www.nytimes.com/2019/08/02/business/social-security-questions.html https://www.forbes.com/sites/dirkcotton/#6d975ce02a85, http://www.theretirementcafe.com/

[9]"…support for those deemed as not deserving has dropped. That includes single mothers, whose transfer receipt dropped by 20% between 1983 and 2004. And it especially includes anyone who does not work or has very low earnings. So, for example, the 2.5 million single parent families with the absolute lowest levels of earnings saw their safety net transfers drop 35%, while those with slightly higher earnings saw their receipt grow by 74%." https://www.motherjones.com/files/moffitt_presidential_address_5-2-2014_v2_jill_rosen.pdf p. 45 Over the last thirty years, most of the growth of safety net expenditures in the U.S. has gone to those families with incomes above 50 percent of the poverty line and, indeed, per-family expenditures for those below that level have actually fallen for some groups (Ben-Shalom et al., 2012). http://www.econ2.jhu.edu/people/Moffitt/moffitt%20annals%204-26-2013.pdf p. 16

[10] Top among these are Walmart, McDonald's, followed by others such as Waffle House, Kroger, Amazon, Dollar General, Home Depot, Burger King and FedEx. https://www.washingtonpost.com/business/2020/11/18/food-stamps-medicaid-mcdonalds-walmart-bernie-sanders/ "Walmart workers are the biggest recipients of food stamps and Medicaid in most states. Walmart also has $13.7 billion in annual profit, record $573B in revenue, raised investor dividends for 49 straight years and pays its CEO $22.6M. Taxpayers are subsidizing corporate profits." 3/21/22 https://twitter.com/danpriceseattle/status/1505947035647852544

[11] A wealth of such data is available in the GAO publication, *Federal Social Safety Net Programs*, https://www.gao.gov/products/GAO-21-45

[12] https://gocatalant.com/ "…6 Harvard grads turned $5000 into HourlyNerd, a website that lets companies of any size tap into the minds of MBAs (and got Mark Cuban to invest)." https://www.rankpay.com/hourlynerd/

[13]including Harvard; bankrolled by General Electric & Greylock Partners http://qz.com/340434/its-cheaper-and-easier-to-rent-an-mba-than-to-hire-one/ Contract workers need not be paid the federal minimum wage or overtime, or have Social Security taxes paid on their behalf.

[14] https://www.nytimes.com/2023/05/27/business/401k-hardship-withdrawals-retirement.html In the paper edition, the title is "401(k) Accounts Are Becoming Inflation Buffers."

[15] http://www.ebri.org/publications/benfaq/index.cfm?fa=retfaq14 Eduardo Porter, "One Change Could Help with Retirement Savings," NYTimes Business, 3/4/15 www.nytimes.com/2015/03/04/business/americans-arent-saving-enough-for-retirement-but-one-change-could-help.html "401(k) and similar plans are referred to as defined contribution (DC) plans because employer contributions, rather than retirement benefits, are determined in advance and employers incur no long-term liabilities. Participants in these plans are responsible for making investment decisions and shoulder investment and other risks. In contrast, in traditional defined benefit (DB) plans (pension plans, in layman's terms), employers are responsible for funding promised benefits, making up the difference if the contributions are insufficient due to lower-than-expected investment returns, for example." epi.org/136219

[16] "Only a fraction of eligible workers take up offers by employers to contribute matches to employee savings. And mutual funds are notorious for hidden fees and misleading descriptions of their services." https://www.tabletmag.com/sections/news/articles/neoliberal-twee-cass-sunstein-sludge-michael-lind

[17] https://hbr.org/2018/03/americans-havent-saved-enough-for-retirement-what-are-we-going-to-do-about-it

[18] https://www.bls.gov/opub/btn/volume-12/how-do-retirement-plans-for-private-industry-and-state-and-local-government-workers-compare.htm

[19] These accounts included "individual retirement accounts, Keogh accounts, and certain employer-sponsored accounts, such as 401(k), 403(b), and thrift savings accounts. About half of families owned such accounts in 2019." https://www.federalreserve.gov/publications/files/scf20.pdf p.16. "Of those 55 and older, 48% had nothing put away in a 401(k)-style defined contribution plan or an individual retirement account, according to a GAO estimate for 2016." https://www.investmentnews.com/half-of-americans-approaching-retirement-have-nothing-saved-78809 3/2019

[20] https://www.dol.gov/agencies/ebsa/about-ebsa/our-activities/resource-center/publications/what-you-should-know-about-your-retirement-plan

[21] https://www.washingtonpost.com/business/2022/12/21/401-k-changes-secure-20/

[22] https://www.census.gov/library/stories/2022/08/who-has-retirement-accounts.html
[23] https://www.empower.com/the-currency/life/average-retirement-income
[24] https://www.census.gov/library/stories/2022/08/who-has-retirement-accounts.html
[25] https://home.treasury.gov/news/featured-stories/racial-differences-economic-security-racial-wealth-gap
[26] https://www.nationaldebtrelief.com/credit-card-debt-age/
[27] "In 1991, elders made up 2% of the bankruptcy relief claims; now the share is 12%." https://www.forbes.com/sites/teresaghilarducci/2019/08/15/elderly-bankruptcy-why/#1e848ed84f51
[28] https://www.cbsnews.com/news/retirement-baby-boomers-with-no-retirement-savings/
[29] https://www.investmentnews.com/article/20190422/FREE/190429997/older-americans-are-twice-as-likely-to-work-now-as-in-1985 It was over 19% in 11/22. https://ycharts.com/indicators/us_labor_force_participation_rate_age_65_and_over_unadjusted
[30] http://www.dailykos.com/story/2011/08/28/1011220/-Mr-Roosevelt-s-Social-Insurance#
[31]Cap for 2023 is $160,200 in earned income. https://www.ssa.gov/benefits/retirement/planner/maxtax.html
[32] http://www.ssa.gov/oact/cola/cbb.html. There is no income max for hospital insurance [Medicare]. The cap is inflation-adjusted every year.
[33] http://www.archives.gov/exhibits/treasures_of_congress/text/page19_text.html
[34] https://www.cbpp.org/research/social-security/social-security-lifts-more-people-above-the-poverty-line-than-any-other In 2021, Social Security kept 18 million people 65 and over out of poverty. https://www.epi.org/blog/pandemic-safety-net-programs-kept-millions-out-of-poverty-in-2021-new-census-data-show/
[35]"according to multiple surveys and the Census Bureau study". https://www.cbpp.org/research/social-security/top-ten-facts-about-social-security https://www.cbpp.org/research/social-security/social-security-lifts-more-americans-above-poverty-than-any-other-program From apparently the latest Social Security survey: https://www.ssa.gov/news/press/factsheets/basicfact-alt.pdf
[36] https://www.ssa.gov/OACT/FACTS/ US population 1/22 was 3332 million.
[37] https://www.cbpp.org/research/social-security/top-ten-facts-about-social-security
[38] https://www.ncpssm.org/documents/social-security-policy-papers/fast-facts-about-the-social-security-disability-program/
[39]http://www.socialsecurityworks.org/need-expand-effective-anti-poverty-program-america/ http://www.ncpssm.org/SocialSecurity/DisabilityInsuranceandSurvivors
[40]https://www.cbpp.org/research/social-security/social-security-disability-insurance-0#part1 [2/21] and a 1 in 4 chance of becoming disabled. https://www.ssa.gov/disabilityfacts/facts.html
[41]https://www.atticus.com/advice/general/social-security-disability-approval-rates-by-state
[42]https://thinkprogress.org/trump-budget-disabled-people-f2a4708074f0/ The Disability Trust Fund has a funding problem, but over decades, its deficiencies have been solved by reallocating income from the Old Age Fund. The Trustees treat the two funds as one.
[43] Among those who start receiving disability benefits at the age of 55, 1-in-6 men and 1-in-8 women die within five years of the onset of their disabilities. https://www.ssa.gov/disabilityfacts/facts.html
[44] https://theconversation.com/social-security-may-be-failing-well-over-a-million-people-with-disabilities-and-covid-19-is-making-the-problem-worse-200158
[45]https://www.ssa.gov/pubs/EN-05-10024.pdf
[46] http://www.cnbc.com/id/15840232?play=1&video=1421510966
[47] https://documents.latimes.com/alan-simpsons-response-hiltzik-column/ He also asserts that "The life expectancy was 63, and the age of retirement was set at 65" at the time the law was formulated, i.e., that most people were expected to die before being eligible. Simpson, a former senator with a substantial government pension,[47] refers to the elderly as "greedy geezers." http://www.politico.com/news/stories/0512/76673.html
[48] Using the Special Poverty Measure [SPM], which includes the effects of taxes and other programs to reduce poverty. https://www.census.gov/library/publications/2022/demo/p60-277.html p. 2.
[49] "The OECD defines income poverty as having less than 50% of a median household's disposable income. On this measure, 18% of Americans aged 65 or older live in retirement poverty. The figure for women is higher than for men, 26% to 20%, respectively." https://www.usatoday.com/story/news/world/2023/06/06/retirement-age-france-strikes-is-us-better/70267693007/
[50] https://www.cbpp.org/research/social-security/top-ten-facts-about-social-security
[51] https://www.nasi.org/wp-content/uploads/2021/09/2021-Social-Security-Primer-PPT.pptx
[52]https://www.epi.org/publication/chapter-1-older-workers/#charts
[53] EPI chartbook, ch. 2, op. cit. https://www.economicpolicyresearch.org/insights-blog/older-workers-and-retirement-chartbook
[54]https://data.oecd.org/inequality/poverty-rate.htm
[55] 0.4% calculated as costs/benefit payments. https://www.ssa.gov/OACT/TR/2023/VI_C_SRfyproj.html#306103 p.183
[56]https://cepr.net/big-victory-on-retirement-income-in-omnibus-spending-bill/ According to the founder of the Vanguard group: "If you work for 50 years and receive the typical long-term return of 7 percent …and your fees are 2 percent, almost two-thirds of your account will go to Wall Street." http://wallstreetonparade.com/2013/04/pbs-drops-another-bombshell-wall-street-is-gobbling-up-two-thirds-of-your-401k/ "Take an account with a $100,000 balance and compound it at 7 percent for 50 years. That gives you a return of $ 3,278,041.36. Now change the calculation to a 5 percent return (reduced by the 2 percent annual fee) for the same $100,000 over the same 50 years. That delivers a return of $1,211,938.32. That's a difference of $2,066,103.04 – the same 63 percent reduction in value that Smith's example showed."
[57] https://www.cbpp.org/blog/after-years-of-budget-cuts-increased-funding-would-help-social-security-administration-restore
[58] Ellen Frank https://www.dissentmagazine.org/article/rethinking-social-security-reform ?

[59] Sheila D. Collins and Gertrude Schaffner Goldberg, *When Government Helped*, Oxford U. P. 2014, p. 181.
[60] http://www.dailykos.com/story/2011/08/28/1011220/-Mr-Roosevelt-s-Social-Insurance# Huey Long (Every Man a King), the eponymous Townsend and Bigelow plan creators, the General Welfare Federation of America and the Technocracy movement were other pension plans of that era. Sinclair, an avowed Socialist, nearly got himself elected Governor of California in 1936. He proposed that California take over idle farms and factories and operate them as coops. Collins and Goldberg , p.5
[61]"Father Coughlin's influence on Depression-era America was enormous…..At the height of his popularity, one-third of the nation was tuned into his weekly broadcasts. In the early 1930s, Coughlin was, arguably, one of the most influential men in America. Although his core message was one of economic populism, his sermons also included attacks on prominent Jewish figures--attacks that many people considered evidence of anti-Semitism." http://www.ssa.gov/history/cough.html
[62] Collins and Goldberg, pp. 106-7. His tax on the rich was insufficient for this payment, which Long admitted.
[63]http://web.mit.edu/21h.102/www/Primary%20source%20collections/The%20New%20Deal/Long,%20Share%20Our%20Wealth.htm also http://www.hueylong.com/programs/share-our-wealth.php http://www.ssa.gov/history/hlong1.html current values calculated by https://chat.openai.com/
[64] http://www.ssa.gov/history/townsendproblems.html
[65] http://www.psmag.com/navigation/business-economics/frustrated-blogger-made-expanding-social-security-respectable-idea-67226/
[66] http://www.psmag.com/navigation/business-economics/frustrated-blogger-made-expanding-social-security-respectable-idea-67226/
[67] Collins and Goldberg, *When Government Helped*, p. 104.
[68]Collins and Goldberg, 104-105.
[69] "IBM won the contract to oversee accounting for the Social Security Administration, beating out competitors like Remington Rand. It was the only computer company at the time that had the experience and production capacity to undertake a project of that size. As one official IBM history put it, 'the Social Security project catapulted IBM from a midsize corporation to the global leader in information technology.'" https://onezero.medium.com/the-racist-and-high-tech-origins-of-americas-modern-census-44ba984c28af
[70] https://www.ssa.gov/people/same-sexcouples/ and https://www.bankrate.com/retirement/social-security-benefits-and-same-sex-marriage/#slide=1
[71] The recession of 1937–38 and the AFL-CIO split led to major Republican gains in 1938. Conservative Democrats joined them to defeat liberal proposals and cut relief.
[72] http://www.ssa.gov/policy/docs/statcomps/supplement/2012/unemployment.html
[73] Collins and Goldberg, p. 197.
[74] http://www.socialsecurityworks.org/wp-content/uploads/2014/08/US2014.pdf
[75] Katznelson, 43. Of course this left out a goodly proportion of white farmers, too, but this was an acceptable price for Southern legislators to pay. When blacks were finally included, they had to wait 5 years before becoming eligible.
[76] Katznelson, 22, like minimum wage and hours laws, and legislation that created modern unions."
[77]Local control in the South kept blacks from benefitting much from the GI Bill, which absorbed 15% of budget in 1948: "millions bought homes attended college, started business ventures, and found jobs"..."it created middle-class America." Katznelson, p.112 "…black veterans weren't able to make use of the housing provisions of the GI Bill for the most part. Banks generally wouldn't make loans for mortgages in black neighborhoods, and African-Americans were excluded from the suburbs by a combination of deed covenants and informal racism. In short, the GI Bill helped foster a long-term boom in white wealth but did almost nothing to help blacks to build wealth. We are still living with the effects of that exclusion today -- and will be for a long time to come. The one big upside of the GI Bill is that it did pay for many black veterans to go to college and graduate school, largely outside the South. While these veterans were often only able to choose among overcrowded black colleges, the influx of subsidized black students forced many white universities to open their doors to nonwhites, helping begin the great integration of higher education." http://www.demos.org/blog/11/11/13/how-gi-bill-left-out-african-americans
[78] https://talkingpointsmemo.com/dc/gop-social-security-medicare-freedom
[79] http://web.archive.org/web/20051124190902/http://www.eisenhowermemorial.org/presidential-papers/first-term/documents/1147.cfm
[80]http://www.slate.com/articles/news_and_politics/politics/2015/03/ted_cruz_and_other_republican_party_presidential_candidates_agree_on_almost.html When David Koch ran for VP in 1980 on the Libertarian ticket, the platform included, "We favor the repeal of the fraudulent, virtually bankrupt, and increasingly oppressive **Social Security** system. Pending that repeal, participation in Social Security should be made voluntary."
[81] https://transamericainstitute.org/docs/default-source/research/emerging-from-the-covid-19-pandemic---four-generations-prepare-for-retirement-report.pdf [October 2022 report]
[82] "The National Commission on Social Security Reform, the bipartisan panel that is to report to President Reagan this month, has already taken steps to base its work on economic assumptions far more pessimistic than those derived from Mr. Reagan's 1983 budget figures or those issued by independent forecasters. The panel chose the most pessimistic of four sets of assumptions placed before it by Federal officials." https://www.nytimes.com/1983/01/05/us/the-social-security-crisis-legacy-of-hopeful-guesses.html The serious recession of the early 1980's was set off by Carter-appointed Fed hair Paul Volker's massive interest rate increase. "Volcker got inflation under control through the economic equivalent of chemotherapy: He engineered two massive, but brief,

recessions, to slash spending and force inflation down." https://www.vox.com/future-perfect/2022/7/13/23188455/inflation-paul-volcker-shock-recession-1970s
[83] https://www.brookings.edu/blog/up-front/2017/12/08/what-we-learned-from-reagans-tax-cuts/
[84] "…a Wall Street Journal opinion editorial call[ed] for funding President Trump's proposed tax cuts 'the Reagan way,' including gradually raising the Social Security retirement age…. 'The bipartisan Social Security legislation enacted during the Reagan administration provides a useful history lesson for how to offset deficit increases,' including raising the age of eligibility for full Social Security benefits from 65 to 67, conservative columnist Martin Feldstein argued in his recent *Wall Street Journal* editorial." https://www.usatoday.com/story/news/politics/2017/05/03/democrats-trump-tax-cuts-fight/101223952/
[85] https://www2.nber.org/feldstein/shortbio.html
[86] https://www.wsj.com/articles/balancing-lost-tax-revenue-the-reagan-way-1493245888
[87] https://www.ssa.gov/OACT/ProgData/taxRates.html
[88] https://www.ssa.gov/history/1983amend.html
[89] http://socialsecurity.gov/policy/docs/ssb/v46n7/v46n7p3.pdf
[90] These also go into the Trust Funds. http://www.ssa.gov/oact/progdata/taxflow.html
[91] https://en.wikipedia.org/wiki/Social_Security_Trust_Fund#/media/File:Social_Security_Trust_Fund.png
[92] http://www.brookings.edu/research/opinions/2005/03/05saving-light
[93] https://www.ssa.gov/history/InternetMyths2.html and https://www.gobankingrates.com/retirement/social-security/what-happened-to-social-security-under-each-president/
[94] http://publish.illinois.edu/elderlawjournal/files/2015/02/Weisbrot.test_.pdf
[95] http://www.socialsecurity.gov/OACT/TR/ 2023 Trustees Report, p. 3
[96] The political benefit to cutting Social Security now is that when Congress is faced with the choice of cutting benefits or providing revenues, "Congress would be under a lot of pressure to make good on what people have been promised." Interview with *Eric Laursen, author of The People's Pension: The Struggle to Defend Social Security Since Reagan*, https://www.ineteconomics.org/perspectives/blog/meet-the-grinch-stealing-the-future-of-gen-y-and-z
[97]https://www.ssa.gov/OACT/STATS/table4a1.html
[98]https://www.ssa.gov/policy/docs/ssb/v75n1/v75n1p1.html table for chart 1.
[99] https://fair.org/extra/saving-social-security-from-its-previous-rescue/
[100] Quoted by Jim Naurekas, 'Saving' Social Security from Its Previous Rescue," Extra!, Oct. 2010, p.5. http://fair.org/extra-online-articles/saving-social-security-from-its-previous-rescue/
[101]"For most Americans, including the vast majority of those with low incomes, payroll taxes are a greater burden than federal income taxes. As shown in Figure 2 below, 67.5 percent of taxpayers will owe more in payroll taxes than in income taxes in 2022." https://www.americanprogress.org/article/5-little-known-facts-about-taxes-and-inequality-in-america/ and "Overview Of The Federal Tax System As In Effect For 2023," https://www.jct.gov/getattachment/7c59a9a0-1c83-4f61-ad55-45b290d3a829/x-9-23.pdf Table A-7, p.35
[102] https://www.nytimes.com/2010/08/26/us/politics/26bai.html
[103]Elmendorf, Liebman and Wilcox, Fiscal Policy and Social Security Policy During the 1990s p.60. http://www.ksg.harvard.edu/jeffreyliebman/elwconferenceversion.pdf
[104]https://www.huffpost.com/entry/social-security-suicide-p_b_633313
[105]https://www.huffpost.com/entry/the-dirt-on-erskine-bowle_b_1659347
[106] http://www.niemanwatchdog.org/index.cfm?fuseaction=ask_this.view&askthisid=456 https://www.epi.org/publication/grand-bargain-social-security-fact-sheet/ "Liberals didn't kill Obama's Social Security cuts. Republicans did." "The Republicans didn't want to give Obama a win in the form of his long-sought Grand Bargain. And the only reason Bill Clinton didn't cut Social Security was the Lewinsky matter, so elders owe Monica Lewinsky a debt of gratitude that persists to this day." https://www.nakedcapitalism.com/2022/11/200pm-water-cooler-11-3-2022.html Biden, too [see debate with Sanders: https://www.youtube.com/watch?v=9X3UiSvgle0]
[107] The latest [11/22] Republican proposal "solves" the problem solely with cuts, such as raising the retirement age and benefit cuts. https://www.nytimes.com/2022/11/02/us/politics/republicans-social-security-medicare.html
[108] http://publish.illinois.edu/elderlawjournal/files/2015/02/Weisbrot.test_.pdf
[109] http://www.socialsecurity.gov/OACT/TR/ 2023 Trustees Report, p. 3
[110] The political benefit to cutting Social Security now is that when Congress is faced with the choice of cutting benefits or providing revenues, "Congress would be under a lot of pressure to make good on what people have been promised." Interview with *Eric Laursen, author of The People's Pension: The Struggle to Defend Social Security Since Reagan*, https://www.ineteconomics.org/perspectives/blog/meet-the-grinch-stealing-the-future-of-gen-y-and-z
[111] https://www.ssa.gov/OACT/TR/2023/VI_C_SRfyproj.html#306103 p. 183.
[112] https://www.pgpf.org/expert-views/americas-fiscal-and-economic-outlook/fix-social-security-and-medicare-to-protect-other-priorities
[113]"Those large budget deficits would arise because outlays—particularly for Social Security, Medicare, and interest on the debt—would grow steadily under current law, and revenues would not keep pace with those outlays." P.5, https://www.cbo.gov/system/files?file=2019-01/54918-Outlook.pdf

[114] In fact, the Congressional Budget Office tells us, "Once the trust funds are depleted, the Social Security Administration would no longer have legal authority to pay benefits. In the years following the exhaustion of the trust funds, annual outlays would therefore be limited to annual revenues. "http://www.cbo.gov/sites/default/files/06-30-ltbo.pdf p. 50
[115] Such is the largesse according to the military that "the *increase* in that budget is far more than Russia spending on its entire defense budget [$65B in 2021-jz] In fact, with the exception of China, this year's increase is greater than every defense budget in the global community." https://www.counterpunch.org/2022/12/20/bidens-national-security-team-is-trailing-badly-at-halftime/
[116]https://www.newsweek.com/deficit-budget-tax-plan-social-security-medicaid-medicare-entitlement-1172941
[117] https://mises.org/library/social-security-most-successful-ponzi-scheme-history
[118] https://www.heritage.org/social-security/report/misleading-the-public-how-the-social-security-trust-fund-really-works
[119] http://www.dollarsandsense.org/archives/2013/0313frank.html
[120] "In addition to the traditional (public) Medicare plan, Medicare is also available from private plans through the Medicare Advantage program. Today, one-third of people using Medicare are in such plans, up from about one-fifth a decade ago. Moreover, all Medicare drug benefits are administered through private plans. National Health Expenditure data show both the government's administrative costs for Medicare and those of Medicare's private plans. Putting them together for the most recent year available (2016), they reach $47 billion, or 7 percent of total Medicare spending — well above the administrative costs borne directly by the Medicare program. Medicare's private drug benefit plans incur administrative costs that are about 11 percent of their spending. All of this additional, private administrative cost is paid for by taxpayers and, through their premiums, people who use Medicare." https://www.nytimes.com/2018/10/15/upshot/is-medicare-for-all-the-answer-to-sky-high-administrative-costs.html
[121]https://www.ssa.gov/OACT/TR/2023/ p. 6. "…Social Security can't actually go bankrupt. If the situation arises where there is not enough money either in the Trust Fund or coming through from contributions to fund current benefits, then those benefits can't be paid, perhaps as much as 25%. In that case, Congress would be faced with a choice to either cut benefits or increase contributions." https://www.ineteconomics.org/perspectives/blog/meet-the-grinch-stealing-the-future-of-gen-y-and-z
[122] https://econospeak.blogspot.com/2019/06/robert-j-samuelson-goes-whole-hog.html
[123] "Debt ceiling woes point to need for Social Security, Medicare reform, experts say," https://www.cnbc.com/2023/05/16/debt-ceiling-social-security-medicare-require-fixes-experts-say.html
[124] https://www.ssa.gov/OACT/TR/TR97/overview.html
[125] https://www.ssa.gov/OACT/TR/TR04/tr04.pdf p.2
[126] http://publish.illinois.edu/elderlawjournal/files/2015/02/Weisbrot.test_.pdf
[127] The methods of the Trustees lean toward pessimism. Take what they consider their most optimistic economic growth rate. This rate [2.35%] is slower than our historical experience of growth.[127] In the last century, about 3%; In the last 20 years, growth has averaged more than 2.5% a year. Nevertheless, even this rate generates a solvent system in 2075, in fact, one in which the Trust Fund is growing without limit. "If you use more optimistic assumptions — say, the assumptions in the budget forecasts that were used to justify Mr. Bush's tax cut — the system will still be financially sound in 2075." Krugman, http://www.nytimes.com/2001/07/22/opinion/22KRUG.html
[128] https://www.commondreams.org/views/2013/03/11/true-aim-deficit-scare-mongering-gut-social-security-and-medicare
[129] *Social Security Trustees Report 2023*, Table IV.B3. https://www.ssa.gov/OACT/TR/2023/lr4b3.html
[130] https://www.ineteconomics.org/perspectives/blog/meet-the-grinch-stealing-the-future-of-gen-y-and-z The cap is adjusted every year by "changes in the national average wage index." https://www.ssa.gov/oact/cola/cbb.html
[131] https://www.ssa.gov/policy/docs/statcomps/supplement/2022/4b.html#table4.b1
[132] http://ourfuture.org/20150226/the-real-social-security-crisis-is-income-inequality
[133] https://www.americanprogress.org/article/heres-much-americas-rising-income-inequality-costing-social-security/
[134] https://www.americanprogress.org/article/increased-wage-inequality-has-reduced-social-securitys-revenue/
[135] https://prospect.org/economy/like-eitc-plenty-turns-out./
[136] "Due to the rise of inflation since then, which reduces the purchasing power of the minimum wage, the real wage equivalent of the federal minimum wage as of December 2022 is $5.57 per hour….. if it had kept pace with the growth in labor productivity (and after accounting for technical differences in indexing), the federal minimum wage in 2021 would have been $23.00 per hour instead of $7.25 per hour." https://tcf.org/content/report/social-security-is-essential-so-why-do-some-want-to-cut-it/
[137]Arthur MacEwan, "Social Security and Inequalty," https://www.dollarsandsense.org/archives/2023/0523toc.html
[138] https://www.epi.org/blog/a-record-share-of-earnings-was-not-subject-to-social-security-taxes-in-2021-inequalitys-undermining-of-social-security-has-accelerated/ See also CBO estimates: https://www.cbo.gov/budget-options/58630
[139] "The Social Security Expansion Act, recently introduced by Senators Bernie Sanders (I-VT) and Elizabeth Warren (D-MA) …would do just that. This legislation would require make all income over $250,000 subject to Social Security taxes — including unearned investment income. It uses the additional revenue to increase Social Security's modest benefits and to keep the program strong through the end of the century and beyond. Another piece of legislation, Social Security 2100: A Sacred Trust, is sponsored by Rep. John Larson (D-CT). This bill, which also lifts the cap on Social Security contributions and uses the revenue to expand benefits, had the support of about 90 percent of House Democrats in the last Congress." https://www.counterpunch.org/2023/02/28/inequality-is-weakening-social-security-heres-how-we-fix-that/
[140] https://www.americanprogress.org/article/heres-much-americas-rising-income-inequality-costing-social-security/
[141] https://www.epi.org/blog/the-value-of-the-federal-minimum-wage-is-at-its-lowest-point-in-66-years/
[142]"Privatizing Social Security: A Big Boost for the Poor," http://www.cato.org/pubs/ssps/ssp4es.html

[143] http://www.levyinstitute.org/pubs/pn01_6.pdf http://www.economonitor.com/lrwray/2012/11/05/lies-lies-and-more-lies-about-social-security-and-medicare/

[144] "Suppose I think I can do better by keeping my payroll taxes and investing them myself. What's wrong with that? First, if you fail, others – your family and/or taxpayers – will have to support you. Second, you would need to save a lot of money to buy an annuity (a private insurance policy paying guaranteed monthly benefits) worth as much as a typical Social Security benefit. For example, to buy an annuity at age 65 that would match the average Social Security retirement benefit ($1,230 in January 2012), plus keep up with inflation and continue to pay your widowed spouse, you would need to pay about $430,000 up front in a lump sum. Thirdly, in addition, if you had young children, you would need to buy over $450,000 in life insurance and nearly $330,000 in disability insurance at age 30 to match Social Security's family protections. Fourth, few people are able to amass such savings. And Social Security is insurance; savings can't pool risks as insurance does. Finally, Social Security is secure: it has never missed a payment and can ride out market downturns and recessions." http://www.springfieldlawpa.com/social-security-disability-law-and-issues/national-academy-of-social-insurance-questionanswer-on-social-security-future/

[145] "We document that advisers fail to de-bias their clients and often reinforce biases that are in their interests. Advisers encourage returns-chasing behavior and push for actively managed funds that have higher fees, even if the client starts with a well-diversified, low-fee portfolio." http://www.nber.org/papers/w17929

[146] http://www.nytimes.com/2015/03/04/business/americans-arent-saving-enough-for-retirement-but-one-change-could-help.html

[147] http://www.ft.com/intl/cms/s/0/80cfb6d0-ce6e-11e4-86fc-00144feab7de.html

[148] http://www.bloomberg.com/news/articles/2015-03-04/buybacks-at-46-billion-a-month-dwarf-everything-in-u-s-market

[149] https://www.cnn.com/2023/02/10/investing/premarket-stocks-trading/index.html

[150] "More money has been spent on buybacks than dividends in every quarter but two since 2010 for companies in the S&P 500 Index. Buybacks have been the largest source of demand for equities for more than 10 years, according to Goldman Sachs Group Inc." https://www.bloomberg.com/news/articles/2023-06-08/how-stock-buybacks-came-to-drive-the-stock-market-quicktake

[151] https://www.statista.com/statistics/264607/ipo-volume-in-the-us/

[152] http://www.nytimes.com/2015/04/14/business/dealbook/blackrocks-chief-laurence-fink-urges-other-ceos-to-stop-being-so-nice-to-investors.html

[153] "For much of the last century, companies were not allowed to buy back stock, except in exceptional circumstances. In the United States, companies have been allowed to buy back stock for most of their existence, but the pace of buybacks did not really start picking up until the early 1980s, which some attribute to a SEC rule (10b-18) passed in 1982, providing safe harbor (protection from certain lawsuits) for companies doing repurchases." http://aswathdamodaran.blogspot.com/2014/09/stock-buybacks-they-are-big-they-are.html Share buyers seem to favor companies doing buybacks. http://www.bloomberg.com/news/articles/2015-04-07/record-u-s-capital-spending-is-the-last-thing-the-market-wants

[154] https://www.washingtonpost.com/business/americans-dont-save-muchbut-their-companiesdo/2023/02/28/21d72d92-b773-11ed-b0df-8ca14de679ad_story.html

[155] https://www.pgpf.org/blog/2022/06/five-charts-about-the-future-of-social-security-and-medicare

[156] https://www.cdc.gov/nchs/hus/data-finder.htm?&subject=Life%20expectancy

[157] Calculated from https://www.cdc.gov/nchs/hus/data-finder.htm?&subject=Life%20expectancy p. 1

[158] Ibid. See http://articles.latimes.com/2012/jun/04/news/la-mo-simpson-replies-20120602 for Senator Simpson's misleading analysis.

[159] https://www.latimes.com/business/hiltzik/la-fi-hiltzik-social-security-longevity-20180425-story.html and https://www.ssa.gov/OACT/NOTES/pdf_studies/study124.pdf https://www.cbpp.org/research/social-security/raising-social-securitys-retirement-age-would-cut-benefits-for-all-new

[160] http://crr.bc.edu/wp-content/uploads/2018/08/IB_18-16.pdf mortality and progressivity

[161] http://shameproject.com/wp-content/uploads/2012/05/Malcolm-Gladwell-Not-Smoking-Could-Be-Hazardous-to-Pension-System.jpg

[162] https://www.cdc.gov/nchs/data/hus/2020-2021/LExpMort.pdf 2017 data.

[163] https://www.cbpp.org/research/social-security/social-security-lifts-more-americans-above-poverty-than-any-other-program Table 2

[164] http://www.thenation.com/article/154187/alan-simpson-senator-guttermouth-spews-again# He also gets paid $40,000 for an hour's speech for business groups, based on his co-chairmanship. Size of federal pensions: http://www.senate.gov/CRSReports/crs-publish.cfm?pid=%270E%2C*PLC8%22%40%20%20%0A

[165] http://www.politico.com/news/stories/0512/76673.html

[166] http://www.cjr.org/campaign_desk/more_words_of_wisdom_from_alan_1.php?page=all

[167] https://www.bankrate.com/personal-finance/median-salary-by-age/#age

[168] https://www.ssa.gov/OACT/FACTS/ Table C.

[169] Dean Baker 1/26/15 Today's Seniors Do Not Have Better Retirement Benefits Than Prior Generations "In fact, seniors on average almost certainly have worse retirement benefits. The increase in the normal retirement age from 65 to 66 is equivalent to a 6 percent cut in Social Security benefits. In addition, changes in the methodology used for calculating the consumer price index reduced the size of the annual cost-of-living (COLA) adjustment by 0.3-0.5 percentage points compared to the increases in the early and mid-1990s."

[170] The cost of living adjustment was reduced by 0.3 percentage points, reducing benefits by nearly 6% after 20 years. https://www.theguardian.com/commentisfree/cifamerica/2011/jul/25/social-security-stealth-cuts-ccpi More about this:

https://theintercept.com/2022/08/19/deconstrcuted-economy-dean-baker/ Further cuts proposed: https://www.fool.com/retirement/2022/11/19/republican-social-security-change-slash-benefits/?source=isafpbcs0000001

[171]"Once workers reach older ages, especially Black and brown workers, those who are not financially able to retire must accept low wages and poor working conditions because they know they have little chance of finding a better job, or any job at all, if they lose employment." https://www.epi.org/blog/no-way-out-older-workers-are-increasingly-trapped-in-crummy-jobs-and-unable-to-retire-growing-disparities-in-work-and-retirement-in-30-charts/

[172] https://www.epi.org/publication/chapter-2-retirement/#charts

[173] "Republican Rep. Rick Allen of Georgia … would support raising the Social Security retirement age—,…because people have approached him and said they 'actually want to work longer.'" Allen is a member of the Republican Study Committee, a House GOP panel that released a policy agenda last year calling for gradually raising the "full retirement age" from 67 to 70, partially privatizing the New Deal program, and mean-testing benefits." https://www.peoplespolicyproject.org/2023/02/27/social-security-full-retirement-age-increased-by-2-years-while-life-expectancy-decreased-0-4-years/

[174] https://sgp.fas.org/crs/misc/R44670.pdf

[175]"Provisional Life Expectancy Estimates for 2021, https://www.cdc.gov/nchs/products/index.htm

[176]https://sgp.fas.org/crs/misc/R44670.pdf

[177] https://www.economicpolicyresearch.org/resource-library/older-workers-claim-social-security-while-working-upending-beliefs-about-raising-the-retirement-age

[178]"Among men over age 62, the most common jobs available include delivery work, truck driving, janitorial and cleaning services, and farming and ranching—all physically demanding and difficult. For women in the same age group, common jobs include personal care, nursing, and childcare, all of which are physically strenuous."p.2. Forden et al, https://www.economicpolicyresearch.org/images/Retirement_Project/status_of_older_workers_reports/November_2022/OWAG_November_2022_Final.pdf

[179] Ibid. p.2.

[180] https://www.ssa.gov/oact/ProgData/ar_drc.html See also https://www.ssa.gov/oact/quickcalc/early_late.html

[181] https://www.peoplespolicyproject.org/2022/10/26/what-does-it-mean-to-increase-the-social-security-retirement-age/ and https://fair.org/home/dont-call-it-raising-the-retirement-age-because-thats-not-what-theyre-doing/

[182] https://www.cbpp.org/research/social-security/raising-social-securitys-retirement-age-would-cut-benefits-for-all-new

[183] http://www.commondreams.org/views/2013/03/11/true-aim-deficit-scare-mongering-gut-social-security-and-medicare "Neither the redemption of trust fund bonds, nor interest paid on those bonds, provides any new net income to the Treasury, which must finance redemptions and interest payments through some combination of increased taxation, reductions in other government spending, or additional borrowing from the public." From the 2009 Trustees Report. It seems to have been removed. https://money.cnn.com/2010/08/09/news/economy/social_security_value.fortune/index.htm

[184] http://realmoney.thestreet.com/articles/07/20/2016/social-security-if-it-aint-broke-...-and-it-aint-and-it-never-will-be Watch the exchange here: https://youtu.be/DNCZHAQnfGU

[185] https://ftalphaville.ft.com/2019/01/16/1547640616000/America-has-never-worried-about-financing-its-priorities/

[186] "Patching Up Safety Net, Without Putting It at Risk," Eduardo Porter, NYTimes, March 18, 2015, http://www.nytimes.com/2015/03/18/business/patching-up-the-social-safety-net.html Friedman quote f rom http://news.heartland.org/newspaper-article/1998/12/01/only-solution-competition-exclusive-interview-milton-friedman

[187] http://www.economist.com/blogs/graphicdetail/2015/02/daily-chart-4

[188] http://www.ianwelsh.net/making-the-rich-and-powerful-work-for-everyone/

[189]https://publichealth.berkeley.edu/wp-content/uploads/2021/05/Private-Equity-I-Healthcare-Report-FINAL.pdf, https://www.newyorkfed.org/medialibrary/media/research/conference/2017/higher_education/Eaton_Howell https://cepr.shorthandstories.com/private-equity-pillage/index.html

[190] James K. Galbraith, "I Don't Want to Talk About It," *Texas Observer,* April 15, 1998

[191] http://www.ssa.gov/oact/progdata/fundFAQ.html#a0=1 "The rate of interest …is determined by a formula enacted in 1960… each month and applies to new investments in the following month. http://www.ssa.gov/oact/progdata/fundFAQ.html#a0=2

[192] Social Security Trustees Report, 2022 Table IV.A1.—Operations of the OASI Trust Fund, Calendar Years 2017-2031, p.43.

[193] http://www.sourcewatch.org/index.php?title=Social_Security_Trust_Funds#Bush:_.22There_is_no_.27trust_fund.27_....22

[194] There is no need for it to do so—a government that controls its own currency issue can create funds. [See Modern Monetary Theory: http://modernmoneynetwork.org/]

[195] "A 2005 JPMorgan report noted with concern that since 2002, US corporations on average ran a net financial surplus of 1.7 percent of GDP, which contrasted with an average deficit of 1.2 percent of GDP for the preceding forty years. …. public companies are obsessed with quarterly earnings. Investing in future growth often reduces profits short term." http://www.nakedcapitalism.com/2015/03/corporate-greed-killing-investment.html

[196] http://www.dollarsandsense.org/archives/1999/0599frank.html

[197] "The old-age and survivors insurance trust fund provides a financial margin of safety for the system against the first impacts of unforeseen changes in the upward trend of disbursements as well as against these short-term fluctuations and contingencies." https://www.ssa.gov/history/reports/trust/tf1941.html

[198] https://www.tabletmag.com/sections/news/articles/neoliberal-twee-cass-sunstein-sludge-michael-lind
SSA'S FY2016 Agency Financial Report, https://www.ssa.gov/finance/2021/Full%20FY%202021%20AFR.pdf
"Congress could 'fix' Social Security simply by amending that legislation to grant the Old-Age and Survivor's Insurance (OASI)

and Disability Insurance (DI) programs the same federal backstopping that already guarantees program solvency for the Supplemental Medical Insurance (SMI) Trust Fund."

[199] See Bernie Sanders': https://www.sanders.senate.gov/download/social-security-expansion-act-2019-summary?inline=file

[200] https://www.amazon.com/Social-Security-More-Not-Less/dp/0870784161