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Understand The Right's Attack On Social Security

davej Social Security Defenders

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You hear over and over that Social Security is "in trouble" or that we "can't afford it." This is as far from true as can be, and the idea behind this is to convince people to just give up on defending the program and let the haters have their way. The people who hate Social Security the most are the ones who say they want to make these changes to "save" it. Well Bernie Sanders loves the program and has introduced a bill that actually *will* save it.

The Haters

Conservatives have hated Social Security from the start, because it is a program that demonstrates once and for all the value of progressive governance. Social Security is as clear an example of We, the People watching out for and taking care of each other as there ever was. It has made a huge difference in the lives of older people, and their/our families. It works, is cost-effective and requires minimal overhead to keep it going. So they hate it.

A very recent example of conservative hatred for Social Security came from Senator Marco Rubio of Florida, who said, that We, the People helping each other **makes us weak**,

"These programs actually weakened us as a people. ... All of a sudden, for an increasing number of people in our nation, it was no longer necessary to worry about saving for security because that was the government's job."

Substitute the words "We, the People" or "each other" for "government" in Rubio's statement and you'll get the point: people don't have to worry so much because we're taking care of each other. He says that makes us weak. Yikes!

Decades Of Attacks

For decades conservatives who hate Social Security have been using every trick in the book to turn people against the program. Over and over you hear, "It's a Ponzi scheme." "It won't be there for you." This latest attack is that it **"makes us weak."** And of course the old classic: "Social Security is broke."

The "it's going broke" and "won't be there for you" attack strategy goes back to a 1983 Cato Institute Journal document, "*Achieving a Leninist Strategy*" by Stuart Butler of Cato and Peter Germanis of the Heritage Foundation. **The document is still available** at Cato, and select quotes are available at **Plotting Privatization?** from Z Magazine. If you have time it is worth

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reading the entire document (in particular the section "Weakening the Opposition") to more fully understand the strategy that has been unfolding in the years since. But if you can't, the following quotes give you an idea:

"Lenin recognized that fundamental change is contingent upon ... its success in isolating and weakening its opponents. ... we would do well to draw a few lessons from the Leninist strategy."

"construct ... a coalition that will ... reap benefits from the IRA-based private system ... but also the banks, insurance companies, and other institutions that will gain from providing such plans to the public."

"The first element consists of a campaign to achieve small legislative changes that embellish the present IRA system, making it in practice a small-scale private Social Security system."

"The second main element ... involves what one might crudely call guerrilla warfare against both the current Social Security system and the coalition that supports it."

"The banking industry and other business groups that can benefit from expanded IRAs ..." "... the strategy must be to propose moving to a private Social Security system in such a way as to ... neutralize ... the coalition that supports the existing system."

"The next Social Security crisis may be further away than many people believe. ... it could be many years before the conditions are such that a radical reform of Social Security is possible. But then, as Lenin well knew, to be a successful revolutionary, one must also be patient and consistently plan for real reform."

Here is what to take away from this: Every time you hear that "Social Security is going broke" you are hearing a manufactured propaganda point that is part of a decades-old strategy. Every time you hear that "Social Security is a Ponzi scheme" you are hearing that strategy in operation. Every time you hear that "Social Security won't be there for me anyway" " you are witnessing that strategy unfold.

The Problem

The Social Security program is entirely self-funded, separate from the way that the government taxes and spends for other programs. People set aside money in their working years, they get a monthly amount when they retire. (The program also has other benefits including disability benefits, survivors funds and others.) **Social Security does not contribute to the deficit in any way.**

You never hear that the huge, vast, bloated, enormous, mammoth military budget is "going broke" or "won't be there for you." But year after year you hear that Social Security is "in trouble."

Currently the program has built up a huge trust fund -- over \$2.5 trillion. This is invested in US Treasury Bonds, and is earning interest. But there are projections that this trust fund will be depleted in approx. 2037, and if this happens the program will have to cut payouts by as much as 25%. (Hey. when does the military budget Trust Fund run down?)

One big reason for this shortfall is that the last time the programs was comprehensively adjusted (1983, Greenspan Commission) certain economic growth and income projections were used to decide how much "payroll tax" to take out of people's paychecks. They increased the amount taken out of paychecks, and set up an increasing "cap" on the income that would be taxed. Right now 6.2% (temporarily reduced to 4.2%) is taken out of paychecks, and employers kick in another 6.2%, on income up to a "cap" of \$106,800. There is no "payroll tax" on amounts above that "cap."

But something changed between 1983 and now: **almost all the income gains have gone to a few at the very top.** Instead of people who mostly were under that "cap" getting raises, thereby increasing the amount they pay into the fund, the raises went to people who already pass that amount, so the increased income is not contributing to the program. **So that money that was calculated would go into the Social Security Trust Fund instead went to the top few.** As a result the program is no longer bringing in enough money to keep the trust fund fully-funded past 2037.

Sen. Sanders' Solution

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Senator Bernie Sanders **is introducing a bill to the Senate to fix this**, once and for all. In simple terms, this bill will start taxing income above \$250,000 a year to cover this Social Security shortfall. So instead of just "raising the cap" it lets that cap stay, and then takes it off again on income above \$250,000. In effect it means there will be a gap between the current top income that is taxed, and \$250K.

Get the money *from* where the money *went*: So because much of the real Social Security problem is that so much income is now going *to* just a few at the top, this gets the money to fix the problem *from* those top-level incomes.

Here is Sanders, talking about his bill:

"When [Social Security] was developed, 50 percent of seniors lived in poverty. Today, poverty among seniors is too high, but that number is ten percent. Social Security has done exactly what it was designed to do!"

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This post originally appeared at **Campaign for America's Future** (CAF) at their **Blog for OurFuture**. I am a Fellow with CAF.

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