

The Social Security “Crisis”: Rolling Back the New Deal

URPE/Dollars&Sense panel at the 2005 Left Forum

Trudy Goldberg • Doug Henwood • Chris Rude

The attack on Social Security is not over, warned Trudy Goldberg. Its enemies will keep trying to chip away at it, making it harder to defend politically. The Administration and other critics of Social Security have high political and ideological stakes: *Social Security shows that big government can work*. Critics are alarming the population with predictions of Social Security’s impending bankruptcy – they are using this tactic because they can’t label its recipients (most of the population) “unworthy” as they did in the campaign to end welfare. Instead of saying we’re unworthy, the opponents of Social Security are saying it’s unworthy or that it will fail us. Trudy warned of the political dangers of making any changes at this point. By saying that it needs to be “fixed,” groups like AARP are opening the door to a gradual whittling away of Social Security that could weaken it enough to make the public question whether they should bother to defend it.

Doug Henwood talked about the feelings of young people toward Social Security – they want it but don’t expect it to be there when they are old enough to collect. Doug pointed out that any politician who wants to be listened to must say that Social Security needs to be “fixed.” He went on to provide impressive statistics

about why conservative demographic and economic predictions are overly gloomy. (*For statistics, see Doug’s recent article in Left Business Observer: www.leftbusinessobserver.com/SocialSecurityRevisited.html.)* In an assessment of where Wall Street stands, Doug said that while they wanted to get their hands on all that money, current privatization proposals were not very appealing – a small set of indexed funds with low fees – and Wall Street had been surprised by the public’s hostility. Doug shared Trudy’s fears that Social Security would undergo a series of enervating compromises.

Chris Rude gave a class analysis of the attack on Social Security. He described it as an attempt by capitalists to keep workers where they want them, and predicted that weakening Social Security would create a new flow of seniors into the low-wage work force. This would help keep wages in general low. The obvious way to strengthen Social Security, Chris said, would be to increase wages, which would bring more money into the system. Chris was also critical of certain aspects of how Social Security is currently structured. It is only for people who work; the same hierarchy that existed during working years is carried over into retirement.

Gertrude Schaffner Goldberg is Professor of Social Policy, Adelphi University School of Social Work and director of its doctoral program. For a number of years she served as the director of its Center for Social Policy. Her areas of interest are full employment, public income support, the feminization of poverty, comparative social welfare systems, and social administration. She is the author of *Jobs for All: A Plan for the Revitalization of America* (with Sheila D. Collins and Helen Lachs Ginsburg, 1994), *Washington’s New Poor Law: Welfare “Reform” and the Roads Not Taken, 1935 to the Present* (with Sheila D. Collins, 2001), and *Government Money for Everyday People* (4th ed., with Peter Chernack and Deborah Petry, 2004); and editor of *Diminishing Welfare: A Cross-National Study of Social Provision* (with Marguerite Rosenthal, 2002) and *The Feminization of Poverty: Only in America?* (with Eleanor Kremen, 1990). She is a co-founder and Chair of the National Jobs for All Coalition (www.njfac.org).

Doug Henwood is the author of *Wall Street* and *After the New Economy*; writer/publisher of *Left Business Observer*, and host of an economics radio show on WBAI.

Chris Rude, a former Wall Street and NY Fed economist, is finishing his PhD in Economics from the New School University. While studying there, he was Assistant Director of the Center for Economic Policy Analysis (CEPA). He was also a consultant to the United Nations on the Asian financial crisis. He is currently teaching and doing research at York University in Toronto.