

## **The Challenges to Social Security and Medicare Presented by Margie Metzler to CCS meeting September 15, 2010**

### **Social Security:**

- Constant challenges through the century: great book, *the Battle for Social Security*, Nancy J. Altman 2005. There have been people trying to destroy Social Security since it was irswt enacted.
- Before Social Security, according to the book, "every state but New Mexico had poorhouses (sometimes called almshouses or poor farms.) The vast majority of the residents were elderly. Most of the "inmates," as they were often labeled, entered the poorhouse late in life, having been independent wage earners until that point.. (One study reporting in 1910) found, for example, that only 1 percent of the residents had entered the almshouse before the age of 40; 92 percent entered after age 60....even in a progressive state, the conditions were abysmal.... Privacy, even in the most intimate affairs of life, is impossible; married couples are... generally separated, and all the inmates are regimented as though in a prison or penal colony...private possessions, other than the clothes on the back, are almost out of the question, since individual bureaus, closets, tables or other articles of furniture, outside of a bed, are generally not provided."
- Peter G. Peterson foundation: [www.pgpf.org](http://www.pgpf.org) (join). Participation/pressure on the Commission (**National Commission on Fiscal Responsibility and Reform** (summation on [www.owlca.org](http://www.owlca.org) ) OWL, Gray Panthers, CARA, unions: America Speaks, Sat. June 26. 19 large gatherings, total of 57 counting house parties. Counted votes electronically.

3,500 Americans gathered together at 57 sites across the country to deliberate about our nation's fiscal future on Saturday, June 26, 2010. This event was largely sponsored by the Peter G. Peterson Foundation, whose founder has long been a foe of Social Security. Many of us in OWL, Gray Panthers, CARA, MoveOn and other organizations therefore felt it was important to attend and ensure that the voices of seniors would be heard. This was doubly important to us as we were assured that members of the Deficit Commission, which appears to be will to throw Social Security under the bus in the mistaken belief that doing so would help reduce the deficit. Luckily we did, because we had a real impact on the result. One of the ideas for reducing the deficit we were urged to consider was "fixing" Social Security in several ways; we rejected these ideas completely. Here are some of the results, as reported on their website.

- Among spending options, reductions in defense spending received the greatest support. 85% of participants expressed support for reducing defense spending by at least 5%, which included 51% of participants who expressed support for a 15% cut. 68% of participants expressed support for reducing All Other Non-Defense spending by at least 5%. 62% of participants expressed support for reducing health care spending by at least 5%. No options for reducing Social Security benefits received a majority of support. Rather, 60% of participants expressed support for raising the cap on payroll taxes to 90%.
- Among revenue options, 54% of participants expressed support for raising income taxes on those earning more than \$1 million by five percent and 52% of participants expressed support for raising personal tax rates for the top two income brackets by at least 10%. 54% of participants expressed support for establishing a carbon tax and 50% of participants supported the establishment of a securities-transaction tax. No options for reducing deductions and

credits received majority support.

Participants were evenly divided about options presented to reform the tax code.

More on [www.owlca.org](http://www.owlca.org).

- **The Simpson flap:**
  - Alan Simpson, co-chair of the Commission, with Erskine Bowles, makes intemperate remarks insulting to “Pink Panthers” (I have not been able to find video of this). He says we are overreacting fringe groups.
  - OWL Executive Director Ashley Carson writes a great article on the Huffington Post refuting the comments, including pointing out that there is no Pink Panthers group.
  - 2 months later, someone shows the article to Simpson and he rushes out a really weird e-mail to Ashley. She works with other groups to make public the egregious remarks and to call for his removal from the commission.
  - He writes an apology on letterhead. Too little too late.
  - The good news: a huge spotlight shines nationally on Simpson and on the Commission. FOX, CNN, MSNBC weigh in, along with newspapers ranging from the Wall Street Journal to the New York Times. We have the opportunity to urge the Commission to focus on the true causes of the deficits, the two Bush wars and the tax cuts for the wealthy.
  - Tangentially, Gray Panthers and OWL get their messages out!

#### **Simpson’s letter (excerpts):**

**I have news for you too, my friend. There may be no group called the Pink Panthers working to protect Social Security but I sure as hell am! I’ve spent many years in public life trying to stabilize that system while people like you babble into the vapors about “disgusting attempts at ageism and sexism” and all the rest of that crap.**

**Anyway, have a look at it and if you should choose, you might communicate with me. If you have some better suggestions about how to stabilize Social Security instead of just babbling into the vapors, let me know. And yes, I’ve made some plenty smart cracks about people on Social Security who milk it to the last degree. You know ‘em too. It’s the same with any system in America. We’ve reached a point now where it’s like a milk cow with 310 million tits! Call when you get honest work!**

**Al**

**My letter:**

**Now, this is, shall we say, titillating stuff. But you need to know that OWL women, including me, are not the type to get all a-twitter at condescension and vulgarities. We are made of sterner stuff.**

**Our most important concern here is that the President's focus on the deficit is inappropriate and unwise when our bigger problems are the lack of jobs and the downward spiral of our middle class.**

**Second, even if we were to accept the Commission's misguided focus, we are incensed that it is largely unwilling to consider dispassionately all the possible ways of reducing the deficit. We've been promised by the President and by the Commission Co-chairs that "everything is on the table," but some members, including Sen. Simpson, have exhibited a long-term hostility toward Social Security and a relentless inability to focus on real solutions. Social Security doesn't contribute to the problem, and in fact runs an enormous surplus. First on the agenda should be defense spending and second should be the Bush era tax cuts - the leading contributors to the deficit.**

**However, since Sen. Simpson's irrational comments have moved the focus to Social Security, here are the facts:**

- First, Social Security is not bankrupt. In fact, there's a \$2.6 trillion surplus. It's true that the federal government has borrowed most of that to pay for the wars in Iraq and Afghanistan and the Wall Street bank bailouts, and for the Bush-era tax cuts for the wealthy. It wasn't their money - it belongs to American workers.**
- Second, the program is paying out more than it takes in for two reasons: baby boomer retirements and the recession. And guess what, we planned for this. Economists have known for decades that baby boomers would start to retire this year, and so nearly 30 years ago, workers started contributing more to the program so that when they all retired there would be enough money to cover them**

**Finally, since Sen. Simpson coined the expression "greedy geezers" and appears to believe that we are living in luxury on Social Security, here are a few more facts:**

- The average Social Security beneficiary in America receives \$13,900 annually.**
- The average older woman receives approximately \$11,000 each year.**

**If the Commission decides to cut these benefits, older adults, widows, children who have lost their parents and people with disabilities will suffer.**

**The statistics on poverty for seniors are alarming. The most shocking of all is that almost one quarter of older African American women live in poverty and that 45% of older women living alone are poor. This means that each of these people lives on less than \$10,400 annually. Look at the numbers again. There's a good chance any of us could be part of those numbers later in life.**

**Please let grandma keep her \$900 a month; after all, she earned it.**

- Political/Tea Parties: cries of socialism. However, if you go to Town hall meetings, often they are on Social Security, Medicare, or Tri-Care. Point out gently. (Oh, Tricare is terrific. I just want something like that for myself. But of course... you do know that is socialized medicine?)
- Efforts to make it voluntary; would destroy the system as we know it, which is the point. You can always give the money back.
- Privatize: what would have happened last year?