Social Security: The Real Story

In 1935, President Franklin D. Roosevelt signed the Social Security Act into law, creating a social insurance plan designed to pay retired workers a continuing income after retirement and to prevent a reoccurrence of a financial catastrophe like the Great Depression. The program worked... and it became a lifeline not only for retired American workers, but for widows, surviving children, and those with physical and mental disabilities that prevented them from earning a living. Social Security is, without a doubt, one of America's great success stories.

Today, in an attempt to find a scapegoat for America's fragile and tenuous economic picture, some political leaders and pundits have turned on Social Security. The very program that helped save us from the brink of economic and social disaster is now being deemed the culprit; labeled insolvent and unsustainable; and asked to bear a huge portion of the burden to cut the deficit. And when congress asks the Social Security program to bear the burden it is, in reality, asking the American people to bear the burden.

After all, when benefits are cut, it's the workers who paid into that program who sacrifice in order to help trim the deficit.

Some argue that Social Security is bankrupt, or at least in financial crisis. The fact is, during the time our government bailed out banks, cut taxes for the wealthiest Americans, and financed two wars, Social Security was building up a $2.7 trillion surplus; it did not contribute one penny to the federal deficit.

Social Security can pay all promised benefits for the next 25 years, and after that it can pay three-quarters of promised benefits if no action were taken at all. There is ample time, then, to make minor adjustments to shore up the program in order to close this gap.

Severe cuts to Social Security benefits or proposals to increase the retirement age today are kneejerk overreactions to our economic troubles that are not only unnecessary, but harmful to American workers as well as to our economy in the long run. Giving seniors and disabled citizens less money to spend as consumers is a short-sighted recipe for more economic disaster.

To get more facts and figures about Social Security, turn to p.10 & 11