



The Future of Social Security

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Social Security is America's most beloved and effective social program, but Washington's budget cutters have it in their sights. Will they undercut it, or improve it for future senior citizens and their children and grandchildren? SSN scholars clarify the options.

What Americans Think about Social Security

Social Security was signed into law by President Franklin Delano Roosevelt in 1935. By the 1970s, this system of social insurance had expanded to cover most American workers and provide benefits that pull most seniors above the poverty line and enable middle class retirees to live in dignity. Workers and their employers pay regular payroll contributions to sustain the Social Security Trust Fund, which also funds benefits for disabled workers and for the dependents of those who die during their working years.

Social Security is America's most effective social insurance program – and also its most beloved program. As [Fay Lomax Cook](#) and [Rachel L. Moskowitz](#) explain, it is [very popular with the vast majority of Americans](#). Workers and families rely on the system and want to see it strengthened for the future.

Is Social Security Really in Fiscal Trouble?

Nevertheless, Social Security finds itself in the cross-hairs of budget-cutters in Washington DC, who are arguing over ways to adjust taxes and federal expenditures for the long run. They have put Social Security "on the table" for possible drastic cuts or fundamental restructuring. Is this necessary or desirable?

[Ben Veghte](#) and [Theda Skocpol](#) make the case that [Social Security is not a principal driver of the federal budget deficit](#), and thus should not be "on the table" for cuts in current negotiations about taxes and social expenditures. This argument is amplified by long-time champion of the system [Max Skidmore](#), who explains that available projections suggest that [Social Security is in solid fiscal shape](#). Radical restructuring is not necessary. The Trust Fund would be very difficult to modify, Skidmore argues; and he maintains that much of the hype about the alleged "unsustainability" of Social Security flows from critics who have spent [decades spreading misinformation and trying to undermine public faith in the future of Social Security](#). Perhaps this long campaign has worked, because the American public has become uneasy about the future of Social Security, as [Cook and Moskowitz document](#).

Cut It - Or Enhance It?

Budget-cutters are proposing changes in Social Security such as raising the retirement age or trimming the growth of future benefits to keep up with inflation. Such changes would represent major benefit cuts over the long run, and would especially hurt senior citizens with low or moderate incomes. Because Social Security is so vital for such Americans, cuts would [threaten their basic retirement security](#), as [Nancy Altman](#), [Eric Kingson](#), and [Ben Veghte](#) explain. Changes in private retirement pensions are [harming the chances for Americans to retire comfortably](#), according to SSN expert [John Scott](#). This raises even more fundamental questions about cutting the future Social Security benefits on which so many Americans will need to rely.

Average citizens certainly do not want such cuts. By large majorities, Americans say they would like to sustain or enhance Social Security for the future. Many citizens also have a clear preference for a simple fix that could

go a long ways toward shoring up the system's financial commitments for decades to come. By substantial margins, [Americans prefer to lift the cap on the payroll tax](#), so that higher-salaried earners pay the same percentage of their yearly incomes as lower-wage workers.

SSN scholar [Myra Marx Ferree](#) offers yet another way to think about the future of Social Security. Instead of cutting benefits or even just tweaking the system to maintain it for future retirees and disabled workers, why not [reconfigure Social Security into a social insurance system to help all working-age families?](#) Workers would still build up eligibility by contributing payroll taxes, but after some years of contributions, they would be able to draw benefits to sustain a worker during a period of care giving for a child or other family member in need of extra support. Any worker who drew such care-giving benefits would, in turn, repay them to the system by delaying his or her future retirement by the equivalent number of months.

If this enlargement of benefits were combined with lifting the current ceiling on the payroll tax, Social Security could flourish long into the future and help most Americans throughout their working lives as well as during retirement and periods of disability.