

Social Security Stump Speech (by Woody Goulart -- April 25, 2005)

Once upon a time... I'm sure you probably didn't expect to hear me open with that, did you? Well, I want to start by telling you a fable. So, it begins—"once upon a time," there was a woodsman and his family who lived in the woods. It's dinnertime and we find them seated around their table—the woodsman, his wife, his white-haired father, and his young son.

The white-haired patriarch of the family sits at his usual place at the head of the table. And he is having trouble eating his soup. Try as he might, he cannot keep his hand steady as he brings his spoon up from the soup bowl. The old man has Parkinson's and his once strong and steady hands are now very difficult to keep from shaking. As he has done so many times before, he spills his soup on himself and on the table.

The woodsman and his wife grow upset with the old man as they have so many times before. And their young son watches and listens. He hears his parents say to his grandfather, "If you keep making such a mess with your food like this, we won't let you eat with us at this table." The woodsman says, "I can easily build you a wooden trough so you can eat outside. That way, we won't have to see the mess you're making." The old man is, of course, humiliated and saddened as he leaves the table.

The next day as the woodsman comes home for dinner, he sees his young son outside the cottage, working with some pieces of wood, a hammer and some nails. The woodsman smiles with pride, knowing that his son was showing an interest in being woodsman like himself. "What are you making, son?" The young boy stops his hammering and tells his father, "I am making a wooden trough for you and for mother to eat out of when you grow old like grandfather."

That night at the dinner table, the woodsman and his wife apologize to the old man and promise from now on to treat him with the respect and dignity that he deserves. And their young son watches and listens.

This fable is about what happens in real life. We all learn from watching and listening how our family members behave. And we tend to repeat what we've observed and learned.

How will we treat older members of our family—the most vulnerable population in our country? During the great depression of the 1930s, the level of suffering among older people was especially significant. But, our leaders at that time believed it not worthy of a great nation to allow poverty-ridden old age to so many who had fought our wars and had given a lifetime of service to their families and communities.

In 1935, President Franklin Roosevelt made a promise to working Americans and retirees. He said, “We can never insure one hundred percent of the population against one hundred percent of the hazards...of life, but we have tried to...give some measure of protection to the average citizen and to his family against the loss of a job and against poverty-ridden old age.”

And so, the promise of Social Security was born, and has been there for us for 70 years. Social Security became—and remains to this day—the only guaranteed, inflation-proof, lifelong benefit that millions of workers—present and future—can count on.

Unfortunately, there are those among our leaders today who would put the promise of Social Security in jeopardy for future generations. At AARP, we view it as a binding obligation to current and future generations of Americans to make sure their Social Security benefits will be there when they are needed. And we agree that Social Security should be strengthened *now* to ensure that our children and grandchildren will get their promised benefits. It’s about treating them with the respect and dignity they deserve.

If changes are made to Social Security, the changes should make it better, not worse. Yet, the White House has offered us a so-called “solution” that is *far worse* than the problem—personal retirement accounts that actually drain money *out* of Social Security.

Diverting money into personal or private accounts would *weaken* Social Security, put benefits for future retirees at risk, and do nothing to ensure long-term solvency. Rather than strengthen Social Security, private accounts would just make matters worse.

To fund their private accounts scheme, the White House would break the 70-year-old promise. They are suggesting measures that would cut guaranteed Social Security benefits for a person retiring in 2046 by as much as 40 percent—while passing a huge burden of debt on to future generations.

Transition costs alone would eat up as much as \$4.5 trillion over 20 years. If you have a problem with the sink, you don’t tear down the entire house—and then leave it to your children and grandchildren to clean up the mess!

AARP is fighting hard to honor the promise that is Social Security. A promise among generations. A promise that should not have expiration date.

And especially a promise based on this country’s cherished principles. Freedom. Fairness. Family.

Freedom from an old age of want and fear. Fairness among generations. And family members taking care of one another as we age. That means you. That means me.

Let's not overlook this crucial fact: Social Security is not exclusively for old people. It protects people who become disabled—no matter their age—and provides survivor benefits when a family loses the breadwinner.

Social Security and its rock-solid, inflation proof, lifelong benefit should also be cherished. Social Security supplies nearly half of the income for many older Americans. The percentages are even higher among minority populations. And for one-third of beneficiaries, especially older women, Social Security is all that stands between them and slipping into poverty.

Right now, Social Security is strong. While it is true that in 2018, Social Security will begin paying out more money than it takes in, the Trust Fund will be large enough to pay 100 percent of promised benefits through 2042. In other words, Social Security can pay what it owes for another 36 years. After that, even if no changes are made, there would still be enough Social Security money coming in to pay roughly 70 percent of all benefits for decades beyond.

Instead of a major overhaul, Social Security needs fine tuning to make sure it remains strong. Not just for us. But also for our children and grandchildren. For generations to come.

Sure, we must find answers to its cash-flow problem. It's our obligation to ensure that our children and grandchildren receive a guaranteed income in retirement. They, like us, need a floor to stand on.

But, Social Security was never meant to be the **SOLE** source of retirement income. As I said, it's the floor, not the rug on the floor.

There are actually four pillars to retirement income security, and Social Security is the *only one* that is risk-free. The others pillars are pensions and savings; continued earnings from employment; and health insurance. But, today, less than half of working Americans have a pension plan where they work—and that percentage is dropping steadily. Personal savings are at an all-time low.

The average older American now spends nearly a third of his or her income on health care. And although many older Americans are having to work longer, age discrimination and a weak job market limit severely their opportunities to keep working.

The fact is: Social Security supplies nearly half of the income for many older Americans today. The percentages are even higher among minority populations.

And for one-third of beneficiaries, especially older women, Social Security is *all* that stands between them and a life of abject poverty.

And here's something I'll bet you haven't heard much about: Social Security is as much about young families as it is about retirement. That's right. Social Security provides valuable disability and survivors' benefits for today's workers and their families. These protections are especially important for young working families, who may not have their own disability insurance or life insurance.

The average married worker with two children has Social Security insurance benefits currently equaling a \$300,000 life insurance policy and a \$200,000 private disability policy. Those benefits would not be affordable in a system of private accounts.

And people are living much longer these days than they did in the past. These days, many older people, especially older women—are outliving their retirement savings. But they can never outlive their guaranteed Social Security benefits. Do we really want to deny our daughters and granddaughters the same level of financial security in their later years as older women enjoy today?

Well the answer is “no, of course not!”

AARP believes there are sensible ways to ensure that Social Security will continue to be strong into the future. But it won't be free. And it won't be painless. The White House seems to be trying to present the idea of private accounts as a kind of “free lunch”—a scheme that will somehow pay for itself. But, do any of us actually believe in a “free lunch”?

You just can't afford to drain money away from a vital necessity to which it has been already committed. Yet this is just what the White House is talking about. At a time when deficit figures are already at record numbers, it makes no sense.

Now, AARP is not against private savings and investment accounts when they're funded by the individual, hopefully, his or her employer, or even a government source other than Social Security. Such private accounts can be excellent savings tools, but *in addition to Social Security*, not in place of Social Security.

In fact, it is extremely important that our children and grandchildren begin setting money aside now to invest and save for their retirement. But, under no circumstances should we weaken Social Security by taking money from it to create private accounts.

And here is something I want to emphasize: AARP's opposition to private accounts funded by Social Security is not a Republican position, or a Democrat position—it's a *common-sense* position that can and *should* be supported by people of *all* political persuasions and who care about the future retirement security of our children and grandchildren.

As a nation that claims to value the well-being, dignity and security of every citizen, we don't want to abandon those principles and leave millions of vulnerable Americans—including children, the disabled who cannot work, as well as older Americans—to fend for themselves.

Freedom. Fairness. Family. These are not mere words. These are principles we live by. Principles that define us as a nation. They herald our legacy as an independent nation that takes care of its citizens. Why should we stand for less today?

Franklin Roosevelt said it best during his radio address on Social Security's third anniversary: He said:

"...In our efforts to provide security for all American people, let us not allow ourselves to be misled by those who advocate short cuts to Utopia or fantastic financial schemes."

With your help, we will strengthen Social Security and keep its promise now and for generations to come.

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