

Economic Opportunity Institute

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Welcome to EOI. We use new tools for building the middle class. The Economic Opportunity Institute, based in Seattle, Washington, defines and details new public policies that address the bread-and-butter issues faced every day by middle- and low-income families. We build a bridge to economic security through research, policy, and media work.

Lessons from the Earthquake for President Bush

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George W. Bush addressed the nation and the next morning the ground shook, longer and harder than most of us living on Puget Sound had ever experienced. Now, I don't mean to imply any kind of divine judgment. But the earthquake does remind us of certain truths that Bush tried to obscure with his rhetoric, and those truths point towards very different values than the ones Bush expressed.

We were lucky the earthquake was centered so deep underground. It was a miracle no one was in those smashed cars or standing on the sidewalk where those piles of bricks rained down. Because of good training our school children dove under their desks. Because of strong government and sound decisions to enforce high building standards and reinforce older structures, our buildings and bridges stood. We all survived the quake, in part because of good individual decisions, in part because of good public policy, but also because we were very lucky.

Of course, some people were not so lucky and sustained huge damage to their homes or businesses. And federal, state, and city governments are now stepping in to give those people a helping hand.

What does all this have to do with Bush's speech?

Underlying Bush's policies is the premise that those who are already rich deserve an even greater share of the national wealth. Bush has proposed a \$1.6 trillion tax reduction over 10 years, with nearly half the total going to the richest 1% of Americans, and about three fourths going to the top 20%. On the other hand, families in the middle would get only a little, and workers toiling at lower wage jobs – who pay payroll and sales taxes but little in income tax – would get nothing.

Bush's tax plan uses government to accelerate the gap that has been widening for twenty years between the rich and the majority. At the same time, it endangers future investments we'll need to make in education, environmental protection, transportation, research, and the health and safety of all citizens.

The philosophy that the role of government is to make sure the rich stay that way is especially evident in Bush's plan to drastically reformulate Social Security. For 65 years Social Security has provided insurance to all Americans who work, so that we and our families won't be left in dire poverty come old age, premature death, or disability. We know that some people will die at age 34, some will be struck by disability at 53, that some will live to 103 – we just can't predict who, any more than we could foresee the moment of the earthquake or the precise locations of those piles of bricks.

Social Security benefits recognize that the grocery store clerk, the construction worker, the housewife, and the corporate CEO have all contributed to our national well-being. And Social Security is government at its best, making sure that those who earned it get some reward, and stepping in with a helping hand for those who have been extraordinarily unlucky. Social Security finances are also

sound, despite all the misleading headlines and even the recent storyline on *West Wing*. The Social Security Trustees, Alan Greenspan, and most economists agree that if our economy performs moderately well, payroll taxes and the burgeoning trust fund will cover full Social Security benefits for 75 years and beyond, even with the baby boomers all retired and everyone living longer. Bush, however, wants to transform this successful program into an investment scheme, where the highest earners and the lucky would be able to enjoy a comfortable retirement, but typical wage earners, the disabled, and women who cut back paid work to care for their families are likely to be poor in old age.

The American economy has thrived with healthy doses of individual initiative, hard work, and the opportunity to accumulate wealth. But we have also always shared a strong commitment to equal opportunity and a belief that citizens have a responsibility for the good of the whole community and for each member of it.

While the ground shook, while we crouched under tables, we knew we were not in charge. We all survived with good luck and good planning. We can all survive the really big one, too, but to do that, we'll have to build a community strong enough to protect everybody.



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