

Strengthening Social Security for the 21st Century

The Social Security system is sound. It has the resources to finance the retirement of the baby boomers and insure the economic security of future generations of working Americans.

■ Executive Summary

Since 1935 Social Security has been the foundation of economic security for America's workers, retirees and their families. This fundamental program provides benefits to more than 44 million people, including retirees, disabled workers and the families of deceased workers. Social Security is a financially sound program that will have the resources to pay benefits to future retirees of all living generations.

Each year the Social Security trustees develop three financial forecasts for 10 and 75 years in the future. Since the late 1980s, the trustees have been predicting that the United States economy during the 21st century will grow at less than half the rate of the last century. **Their forecasts are simply too low.** Even if we assume that economic growth does slow to three-quarters the rates of the past, by the Social Security trustees' own estimates Social Security will pay full promised benefits throughout the 21st century.

Right wing ideologues and economists have been attacking Social Security for the past 20 years. These attacks have nothing to do with the economic security of middle class American families. Rather, these right wingers have an ideological fixation against the fundamental purpose of Social Security – to provide a strong, simple and efficient form of social insurance, and guarantee a minimum level of shared economic security for America's working families.

The schemes to privatize Social Security amount to a dismantling of the Social Security system, accompanied by severe reductions in guaranteed benefits and increases in taxes. Instead of dismantling Social Security, we should be working to enhance it. The Economic Opportunity Institute suggests two steps to begin this enhancement: holding the retirement age at 65 (it is now scheduled to increase to age 67), and incrementally increasing benefits for the lowest income Social Security beneficiaries. We can finance these changes with simple reforms that keep the structure and guarantees of Social Security intact.

Finally, 50% of all workers do not even have access to pension plans. It is time to take the next step toward economic security for working Americans by establishing a voluntary and supplemental system of retirement accounts that will enable all workers to build pensions their future. In our state, we are developing a new program, Washington Voluntary Accounts, for this purpose.