The Journal of Sociology & Social Welfare

Volume 30
Issue 3 *September*

Article 2

September 2003

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This article analyzes the differences between the generational equity and generational interdependence conceptual packages used to frame arguments in the debate over policies such as Social Security reform. It begins with a history of the generational equity debate. This is followed by an analysis of the assumptions, values, and beliefs that inform each of these two ideological frames. It presents an analysis of why the generational equity frame has dominated the debate and highlights some of the limitations of this perspective.

Current projections suggest that if no policy changes were made in the years ahead, the Social Security trust fund would be depleted by about 2042. This does not mean there would be no money to pay Social Security pensions as billions of dollars would continue to be collected each year, but it would mean that benefits would have to be reduced by about 27 percent or the payroll tax would have to be sharply increased at that point by about 50 percent (Board of Trustees, 2003). Few analysts believe that this scenario will be played out; most expect that changes will be made long before the late 2030s. However, such projections do serve to point out that at least some changes will be needed and they will be the type most politicians like to avoid. Most would involve directly or (more likely) indirectly cutting benefits or increasing taxes.

Journal of Sociology and Social Welfare, September, 2003, Volume XXX, Number 3

In this article we will be analyzing the ideological contest between two major frameworks for thinking about the share of societal resources that ought to go to the elderly, particularly today's retirees. The generational equity (GE) perspective is one framework for thinking about the share of resources that ought to go to the elderly. At the heart of this interpretative package is the idea that each generation should provide for itself. Proponents of this perspective offer a way to view old-age policy that often leads to proposals to cut back on entitlement programs for the elderly and to place more emphasis on privatized alternatives. Critics of this perspective offer an alternative interpretative package, which we (along with some other analysts) refer to as the generational interdependence (GI) frame. Their major argument is that the GE frame focuses on age and cohort based equity at the expense of other forms of equity, such as class equity, race equity, and gender equity. They also argue that this frame is deceptively simple, ignoring the two-way flow of emotional, social, and financial resources between generations (Williamson & Watts-Roy, 1999).

The Generational Equity Perspective

Beginning in the mid-1980s, advocates of the GE perspective argued that there was a conflict of interest between the elderly and the working-age population. These advocates included several well-known conservative journalists, such as William F. Buckley Jr., as well as other commentators linked to conservative think tanks such as the Cato Institute and conservative foundations such as the Olin Foundation. The advocacy network also included organizations that explicitly focused on promoting generational equity. For instance, Senator David Durenberger founded AGE (Americans for Generational Equity), an organization that was funded largely by conservative foundations and businesses (Binstock, 1999; Quadagno, 1989). Both AGE and other advocates of the GE perspective repeatedly cited the work of well respected demographer Samuel Preston (1984) who presented evidence that the economic status of the elderly had been improving while that of children had been deteriorating. He interpreted his data in such a way as to suggest that the improved conditions of the elderly had been achieved, at least partially, at the expense of children. Advocates for the GE perspective argued that due to overly generous spending on programs for the elderly, young adults and children were being shortchanged.

The GE frame combines claims of fairness and claims of affordability (Marmor et al., 1999). Specifically, the advocates of this frame make at least five related claims. First, they argue that today's elderly are financially secure. This claim is partly based on statistics showing that in the aggregate the well-being of the elderly has improved over the past three decades or so. For instance, in 1970 about one in four Americans sixty-five and older were below the poverty line. By 1998, the poverty rate for those age 65 and older had declined to 11 percent. Conversely, the poverty rate of children under the age of 18 increased to nearly twice this rate (U. S. Bureau of the Census, 1999).

The claim that the elderly are for the most part economically secure is based partly on fact, but it downplays the diverse economic conditions among the elderly. While elderly poverty rates have declined, the incomes of many continue to hover close to the official poverty line. For example, in the late 1990s, while only 11 percent of the elderly were below the poverty line, more than 25 percent of the elderly were "near poor" if this term is defined as having incomes less than 150 percent of the poverty line. In addition, poverty rates for some subgroups, such as the minority elderly and those over the age of 85, were far higher than the data for the average aged person. In 1998 approximately 27 percent of elderly blacks, 21 percent elderly Hispanics, and 49 percent of black women living alone had incomes below the poverty line (Crown, 2001).

The second major claim of advocates of the GE frame is that the affluent elderly are getting more than their fair share of societal resources at the expense of young adults and children (Farlie, 1988). According to this frame, high federal spending on the elderly has contributed to the poverty rate of children. Reducing spending on Social Security and Medicare, they argue, would free up funds for children and young adults (Silverstein, et al., 2000).

However, there is very little evidence that current policies toward the elderly are directly or indirectly harmful to the welfare of children and young adults. Critics of the GE frame point out that the increased poverty rate among children has resulted from other factors, such as increases in single-parent households (Moody, 1998).

The advocates of the GE frame make a third claim, arguing that policies unfair to working age adults have thrived in part due to the political influence of old-age interest groups such as AARP (Farlie, 1988; Longman, 1989). The claim that the elderly use their political power to promote unfair policies is loosely rooted in fact as the elderly do form a larger percentage of the electorate today than do families with children (Binstock, 2000). However, the advocates of this framework ignore two related facts about the voting behavior of the elderly.

First, the elderly have different interests and seldom vote as a single block (Binstock, 2000). The split between the poor and the affluent elderly in connection with the repeal of the Medicare Catastrophic Coverage Act of 1988 is one such example (Binstock, 1995). Second, the interests of the elderly do not always diverge from those of working age adults and children. There is some, but relatively little, evidence suggesting that the elderly tend to use their voting power to take resources away from children and young adults (Rosenbaum & Button, 1989). During the mid-1980's, both younger and older Americans opposed cutting spending on education, student loans, and health programs for women and children (Minkler, 1991).

A fourth major claim of the GE frame is that current old-age policies are unsustainable due to the changing demographic structure. As the population ages, they argue, these policies will become unaffordable (Concord Coalition, 1993). This claim is often supported with data about dependency ratios. The dependency ratio is a measure of the economic burden of the non-working population of the population. In the next century, the ratio of the elderly to the working age population will increase in all industrialized nations. While the claim that policies such as Social Security and Medicare are unsustainable is partly based on demographic trends, old-age dependency ratios are only part of the story. For instance, while it is true that the dependency ratio of the elderly has increased, that of children has decreased (Marmor et al., 1999). In addition, because this ratio compares the total number of people age 65 and over to the working age population it does not take into account the many elderly who remain in the labor force (Binstock, 1999). Thus, while population aging is a demographic reality, an increasing old-age dependency ratio does not necessary point to the unsustainability of old-age policies.

Finally, advocates of the GE frame argue that because old-age policies are unsustainable, it is unfair to expect each generation to support the one that precedes it (Borden, 1995; Gokhale & Sturrock, 1999). They argue that the pay-as-you-go system, by which current workers support current retirees, presumes that each generation can and should be supported by the generation that follows. However, if today's working-age adults cannot count on the same level of Social Security, Medicare, and Medicaid benefits when they retire as their parents' generation receives today, the pay-as-you-go system is unfair. Whereas the cohort of current retirees will receive more benefits than they contributed, today's working-age adults can expect to receive less than they contributed. Rather than assuming that each generation should support the generation that precedes it, advocates of this frame believe, that each generation should be responsible for itself (Kotlikof, 1992; Longman, 1989).

There are at least two problems with the claim that old age policies are unsustainable and hence unfair. First, as noted earlier, according to the 2003 Trustees Report the Social Security trust fund will be exhausted in 2042. However, there is some evidence that relatively modest changes might postpone the long-term financing problem for at least several decades. In addition, even if no changes were made to the current Social Security system, after 2042 revenues would still cover about 73 percent of promised benefits. Second, critics of this perspective note that economic fluctuations and unique historical events such as the Great Depression render it impossible for some cohorts to provide for their own retirement. Thus, although the claim that old-age policies are unsustainable and unfair is based on projected budgetary shortfalls, it does not account for the possibility that relatively modest policy changes could prevent the financing problem (Baker & Weisbrot, 1999).

In general, advocates of the GE perspective make claims based partly on fact, but overlook other important factors. However, the frame has appeal to many Americans because it resonates with individualism, a dominant value in American culture. Although advocates of this framework are not opposed to redistribution within families or voluntary redistribution by charitable organizations, they oppose "mandatory" redistribution through government programs. Social Security and Medicare, by this argument, infringe on individual freedoms and make people less likely to rely on themselves to plan their retirement.

For the most part, the generational equity debate plays out in the mass media, particularly the print media. The media provide a series of arenas, such as editorials and political cartoons, in which opposing camps put forth their perspective on the debate (Gurevitch & Levy, 1985). Because the mass media often report social issues as "crises," they are prone to interpret evidence of a projected funding shortfall in Social Security or Medicare as a crisis. By framing the programs as in crisis, advocates of the GE perspective create pressure for immediate and major changes to these programs. Throughout the 1980s, advocates of the GE perspective used the crisis frame to promote their interpretation of the debate.

Generational Interdependence Perspective

Critics of the GE frame have proposed an alternative interpretative package referred to as the generational interdependence frame. The GI frame arose largely out of the criticisms of the GE frame. In addition to the various arguments offered to this point questioning the claims of the GE frame, this alternative interpretative package makes two distinctive claims.

The first is that different generations have much to offer one another. For instance, the authors of *Ties That Bind* argue for a perspective on social policy that focuses on the interdependence between generations (Kingson et al., 1986). The gains of one generation are not necessarily achieved at the expense of others. Economic changes, increases in single-parent households, and cutbacks on social spending for the poor, they argue, are more directly linked to the increase in poverty rates for children than is federal spending on the elderly. The claim that different age groups have common rather than competing interests centers on three types of common interests.

First, there are ways in which policies that benefit the elderly also indirectly benefit young adults. For instance, Robert Kuttner (1982) argues that critics of the Social Security system, focusing on the economic drawbacks of the system for the working-age population, underestimate the benefits to the adult children of the elderly. Even with Social Security and Medicare, the adult children of the elderly often take their parents into their homes or provide them with financial assistance (Foner, 2000). Reducing Social Security and Medicare benefits, rather than lessening the burden on the working age population, would put millions of families under pressure to provide economic support for their aging parents.

Second, the elderly have a stake in the policies targeting young adults and children. Kingson, et al. (1986), for instance, argue that the elderly benefit from programs directed toward the young in several ways. They note that the economic interests of the elderly are tied to the productivity of future workers. Thus, elders indirectly benefit from education spending that makes future workers more productive. Also, advocates for the elderly often have a stake in policies that benefit both the elderly and children. These policies include unemployment insurance, Medicaid, and caregiving services. Social Security itself provides direct benefits to millions of people who are not elderly including 3.8 million children (of disabled, retired, or deceased workers), 4.9 million disabled workers, and 4.7 million spouses of deceased workers (Congressional Budget Office, 2001; U. S. Social Security Administration, 2001). Many of these people would be economically dependent upon their elderly parents and grandparents were it not for these Social Security benefits (Kingson & Williamson, 2001).

Third, there is a two way flow of services and support between different generations. While many working-age Americans act as caregivers for the elderly, there are also many ways in which the elderly contribute to the welfare of the working age population. Elderly parents are often caregivers for grandchildren and functionally disabled family members. More than one in ten of the elderly have been responsible for at least one grandchild for at least six months (Smith & Beltran, 2000).

The second distinctive claim of the GI frame is that the elderly must be viewed as heterogeneous, not homogeneous. Closely linked to this frame is the intragenerational equity interpretative package. As will be the case here, many analysts include this frame as part of the GI frame because both groups of analysts use basically the same arguments. Some critics of the GE frame note that it focuses on equity between generations at the expense of other kinds of equity, such as those linked to race, class, and gender. A core disagreement between the GE and GI frames is how public policy ought to treat equity between generations compared to equity between other groups, such as the haves and have-nots (Kingson & Williamson, 1993). Economically vulnerable groups tend to be overlooked in the GE perspective (Adams & Dominick, 1995; Binstock, 1992). Proponents of the intragenerational equity frame view the GE frame as overly simplistic, neglecting economic needs related to inequality within a generation (or age cohort) in the name of reducing inequality in federal spending levels between cohorts.

The GI perspective has generally been less successful than the GE perspective in framing debates about old-age policy in the American mass media. In part, this is because the GI frame focuses on the community obligation to provide for vulnerable populations. In this context, critics of proposals to privatize Social Security argue that the more privileged members of society have an obligation to protect low-wage and vulnerable workers in retirement (Baker, 1997). Historically, except under very special circumstances such as the Great Depression, the counter theme of community obligation has been less powerful than the dominant theme (or value) of individualism. Thus, advocates of the GI theme find themselves at a disadvantage as their interpretative package generally resonates less strongly with the dominant American cultural values.

The Future of the Debate

In the years ahead the debate over old-age policy in the United States is likely to remain very much a symbolic battle. In large measure, the advocacy networks that have come to dominate a debate and shape the resulting policies are made up of those who can frame the debate in a way that is advantageous to their ideological perspective. Powell et al. (1996) have argued that in the coming years, the framing of the debate will be of increasing importance to the policies that are adopted. Modern telecommunications technologies, such as television, tend to downplay rational arguments in favor of symbolism and metaphors. With the widespread diffusion of television, advocacy networks are under increased pressure to present the right images and symbols. Thus, if anything, the framing of the debate is likely to become more rather than less important in the future.

In the near future, the issue of the partial privatization of Social Security through the introduction of individual accounts is likely to be at the core of the generational equity debate. Some see these individual accounts as an end goal; others see such a reform as a first step toward what they hope will eventually become the full privatization of Social Security (Ferrara & Tanner, 1998; Peterson, 1999). Although policy analysts linked to the libertarian Cato Institute have been making proposals along these lines since the 1980s (Ferrara, 1985), partial privatization proposals have been receiving increased attention by mainstream policy analysts due to proposals by the Advisory Council on Social Security (1997) and President Bush's commission on Social Security (President's Commission to Strengthen Social Security, 2001). Proponents of GE are on record in support of introducing individual Social Security accounts (partial privatization) while advocates the GI frame have opposed the various proposals to partially privatize the scheme that have been made over the years.

During the late 1990s when the stock market was dramatically increasing each year many Republicans (and a few Democrats) in Congress supported various proposals to partially privatize Social Security. More recently, Democrats in Congress have done their best to discredit the idea of partially privatizing Social Security through the introduction of individual accounts. In the popular media there has been a high-stakes symbolic contest between the right and the left over how to label this issue. Democrats have been relentless in their criticism of "Republican proposals to privatize Social Security." Sensing the possibility of adverse electoral repercussions, Republication leaders then shifted their position claiming that they never supported the privatization (redefined to mean full privatization) of Social Security (Allen & Eilperin, 2002).

Even though the specific programs and policy proposal at the core of the debate shift every few years, the central themes of what has come to be know as the generational equity debate are likely to continue to influence the framing of old-age policy issues long into the future. Since the origins of the contemporary version of the debate in the 1980s, the core themes of the interpretative packages have remained relatively constant. The GE frame places a premium on such themes and dominant values as individualism and self-sufficiency. It lends support to the argument that each family and generation should be responsible for itself. The GI frame, in contrast, draws on the less influential theme of community responsibility for the needy and emphasizes the common interests of generations rather than potential generational conflict.

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