



2015

Social Security Works! Why Social Security Isn't Going Broke & How Expanding It Will Help Us All. Nancy J. Altman & Eric R. Kingson. 135 Reviewed by Helen Lachs Ginsburg

Helen Lachs Ginsburg
City University of New York - Brooklyn College, helenginsburg@yahoo.com

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Recommended Citation

Ginsburg, Helen Lachs (2015) "*Social Security Works! Why Social Security Isn't Going Broke & How Expanding It Will Help Us All.* Nancy J. Altman & Eric R. Kingson. 135 Reviewed by Helen Lachs Ginsburg," *The Journal of Sociology & Social Welfare*: Vol. 42 : Iss. 4 , Article 9.

Available at: <https://scholarworks.wmich.edu/jssw/vol42/iss4/9>

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Book Reviews

Nancy J. Altman & Eric R. Kingson, *Social Security Works! Why Social Security Isn't Going Broke & How Expanding It Will Help Us All*. New Press (2015), 320 pages, \$16.95 (paperback).

On August 14, 1935, President Franklin D. Roosevelt signed into law the Social Security Act. In the intervening 80 years, Social Security has become the most successful and effective New Deal program. In this most welcome book, Altman and Kingson tell its remarkable story and lay out how its various programs work. It is one of a nation transformed for the better, giving most people more economic security and dignity. The authors are uniquely qualified. Altman, a lawyer and scholar, has taught at Harvard's Kennedy and Law Schools. Kingson, a social work professor at Syracuse University, is a leading gerontologist. Several years ago they founded the non-profit, Social Security Works and they co-chair the Social Security Coalition, comprised of 320 organizations.

Before Social Security, unbeknownst to most of today's young people, many elderly who could no longer work were forced to rely on children barely able to put food on their own tables. Those with inadequate income and no family willing or able to take them in lived in fear of ending up in the poor houses found throughout the nation. The Social Security Act changed this by establishing what today is called Social Security, the book's main focus. (The Act also established unemployment insurance, federally-aided public assistance programs for the elderly, blind, and dependent children, public health and social service programs.)

Social Security, attacked by conservatives even before the law's enactment, nevertheless passed overwhelmingly by Congress, helped by the pressure of social movements, especially the Townsendites, who campaigned for a then huge sum: a \$200 monthly pension for all retired people 60 years and over. Altman has written about them previously in *The Battle*

Journal of Sociology & Social Welfare, December 2015, Volume XLII, Number 4

For Social Security (2005), but not in this book. *Social Security Works* gives some historical context, but subsequent editions would benefit from an expanded historical section.

Social Security has grown enormously since its inception. Even before the first checks were issued in 1940, a major change (due partly from continued pressure from Townsendites) took place in 1939. Social Security was transformed from a narrow plan, covering only the breadwinner of a family, to a family program, covering wives and children of deceased workers. It has since expanded to cover disabled workers and their families, many adult and disabled children of retired or deceased workers, and others; payments are now adjusted for increases in the cost of living, among the many changes fully documented in this book. The authors rightly stress that Social Security is insurance, not an investment or saving account. It insures you that if you grow old, or become disabled or die, you and/or your family will have an income. But it is Social Insurance—all risks are pooled. You can never outlive your monthly checks, so some will collect more than others, but all will have security.

Understandably, Social Security was (and still is) extremely popular. Thus, though critics continued their attacks, it became the third rail of U.S. politics. According to the authors, a change in strategy occurred after the bipartisan Greenspan Commission, appointed by President Reagan, presented its recommendations to deal with an earlier alarmist projected shortfall in Social Security revenues related to a bad economy and a technical error. The Commission recommended, among other things, payroll tax increases and raising the retirement age to 67 from 65. The authors, both of whom served on the Commission (Altman as an assistant to Chairman Alan Greenspan), are highly critical of this change, because a rise in the retirement age is vividly shown to be a benefit cut that imperils many seniors. Unfortunately, Altman and Kingson give us no clues as to what they were thinking at the time, whether their present views have been shaped by that experience, or what they think might have happened if the Democrats had not agreed to the recommendations.

The authors feel the Commission did not fundamentally alter Social Security because proposals to means-test,

privatize or otherwise fundamentally change the system were ruled off the table and were not part of the 1983 Congressional Amendments. Accordingly, Social Security's wealthy opponents felt a sense of defeat. Unable to win with ideological attacks on a popular program, they shifted to a strategy of instilling fear, undermining confidence in the system, and setting groups against each other (for example, young vs. old). The Cato Institute, funded by one of the billionaire Koch brothers, provided a blueprint for what has happened ever since.

The book does an excellent job of documenting the role that big money plays in attacks on Social Security and how they affect the media with misinformation and half truths presented as facts. In an extremely useful section, they systematically dissect mistruths, such as: social security is in crisis—it's going broke, its Trust Funds are not real, it's unsustainable and a demographic tsunami is threatening our children and grandchildren; we need to raise the retirement age; Social Security is unfair to the young, to blacks, and to women; you can do better investing on your own. You've heard them all!

The real crisis, say the authors, is one that includes disappearing pensions, declining retirement income, growing inequality, overburdened family caregivers who often lose financial security, and the like. Social Security does work and it works for all generations (I would add wide-spread official and hidden unemployment, which negatively impacts workers and the Trust Funds.), but to make it work better it should expand. They advocate raising benefits for all and providing a minimum benefit of at least 125 percent of the poverty level, offering paid family (including parental) leave and restoring student benefits until age 22 for children of deceased or disabled workers, which were eliminated in 1981. These would be paid for by eliminating the wage cap on the payroll tax, by a millionaires tax, a stock transfer tax and by investing some of Social Security's reserves in private equities (which I consider a risky, bad idea). For that to happen, they say, people need to arm themselves with the facts, organize politically and hold their representatives responsible. These are wise ideas.

*Helen Lachs Ginsburg, Prof. Emerita,
Economics, Brooklyn College*