

Addressing ‘unpalatable realities’ laid bare by today’s crises

Nancy J. Altman

Like today’s pandemic-driven economic collapse, the Great Depression exposed long-simmering problems. In words that could have been spoken today, Mary Dewson, one of the three-member Social Security Board (later replaced by a single commissioner) explained in 1938:

“The widespread anguish following the economic collapse...blew away the rosy fog which we had permitted to obscure...unpalatable realities.”

Among those pre-Depression realities, suddenly brought into sharp focus by the economic collapse: no job security, no health security, no food security, no old-age security, and vast inequality. It sounds familiar.

President Franklin D. Roosevelt and his advisers knew that when the immediate crisis had passed, the nation could not and should not simply return to what came before. The nation had to address those “unpalatable realities” if we were to be better prepared the next time. Secretary of Labor Frances Perkins put it bluntly:

“We cannot be satisfied merely with makeshift arrangements which will tide us over the present emergencies. We must devise plans that will not merely alleviate the ills of today, but will prevent, as far as it is humanly possible to do so, their recurrence in the future.”

The Roosevelt administration responded boldly, with much more than “make-shift arrangements.” Its solution to the unpalatable reality of old age insecurity was Social Security.

Prior to its enactment, the only choice that most Americans generally had as they reached old age was to move in with their adult children or go, literally, to the poorhouse. Prior to the Great Depression the insecurity of the aged was hidden in the shadows, but came into stark view when their adult children, on whom they depended, found themselves without work, not just for a few weeks or months but year after year.

For men and women in such straits it was an often desperate struggle to put food on the table for their young children, let alone support their aged parents. The result: between 1929 and 1933, the U.S. poorhouse population jumped by 75 percent – and the overwhelming majority of those “inmates,” as residents were generally called, were old. Indeed, the hardest hit during the Great Depression were the old.

In stark contrast, during the Great Recession of a decade ago, and during the current recession, Social Security’s earned benefits were paid on time and in full, never missing a payment. In a reversal of the Great Depression, those monthly benefits, though modest, allowed many seniors to maintain their independence and even help their adult children and grandchildren to weather the hard times.



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IMAGINE

Imagine how much worse the economic harm wrought by the pandemic would be without Social Security. Imagine how much worse the nation's already appalling income inequality would be. And imagine how much more of a solution Social Security could provide if its modest benefits were increased and the wealthiest among us were asked to contribute somewhat more.

Unemployment compensation is not generally thought of today as "Social Security," but it was part of the Social Security Act of 1935 and it was part of Roosevelt's vision of basic economic security. The current crisis has exposed the need to improve and fully federalize our current joint federal-state unemployment insurance system. Still, even with its flaws, if there were no unemployment insurance, today's economic hardships would be unimaginably worse.

FDR's concept of economic security also included universal health insurance. Facing overwhelming opposition from the medical establishment, he withdrew his proposal in 1935 but continued until his death to support the idea, as did his successor, President Harry Truman. Unable to enact it in one piece, proponents settled, many years later, for starting with those most in need of care, and President Lyndon Johnson finally oversaw the enactment of Medicare for seniors in 1965 (people with disabilities were added in 1972) as well as Medicaid for lower-income Americans.

It was one of Bob Ball's greatest achievements as the nation's longest-serving Social Security Commissioner to oversee the implementation of Medicare and Medicaid. Imagine how much worse off millions of Americans would be without the health coverage enacted in 1965. Imagine how much better off the nation would be during the present crisis if the logical next steps envisioned by Mr. Ball and others — improving Medicare and extending its protection to all ages — had been enacted at any point during the ensuing 55 years.

In addition to universal health insurance, Roosevelt wanted to provide coverage for both permanent and temporary disabilities. Congress did enact long-term disability coverage in 1956 — although, as applicants know, benefits can be exceedingly difficult to qualify for. Still waiting to be enacted is temporary disability coverage: withdrawal from work due to illness, accident, or family need. How enormously valuable that wage replacement would be during all kinds of economic weather.

THINK BIG

The coronavirus pandemic has thrown a harsh spotlight on these serious gaps. Millions of Americans can't afford to take off work while ill. That is deeply inhumane. During a pandemic it also endangers every single one of us, even those who are fortunate enough to be broadly insured. The virus does not discriminate.

While the current Congress did enact a makeshift fix, passing a paid sick leave law that expires in a few months, that won't help if the coronavirus recedes

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during the summer and then comes back during the flu season. What then? More makeshift arrangements? Imagine if, instead, Congress had amended the Social Security Act to include paid sick leave and family leave.

When Roosevelt signed the Social Security Act of 1935, he explained that the new law “represents a cornerstone in a structure which is being built but is by no means complete.” That was true, and now is the time to think big, as he did — and as Bob Ball did — to build on the cornerstone that was laid down many years ago. The challenges are great but no greater than those of the past. They include: individuals and families who are food-insecure, housing-insecure, and at risk of losing loved ones to rampant racism and violence perpetrated by police who are paid to protect us all. We are in urgent need of increased physical and economic security for everyone.

If today’s generations can rise to that challenge, future generations grappling with their own crises will look back on our time with the same sense of awe and gratitude we feel toward Franklin Roosevelt — and Bob Ball.