

NATIONAL
ACADEMY
OF SOCIAL
INSURANCE

‘The People Are What Matter’

*Statement by Janice Gregory,
President of the National Academy of Social Insurance,
marking the 76th anniversary of Social Security*

“Seventy six trombones led the big parade,” begins the classic song, and 76 trombones would be a fitting salute to our nation’s Social Security program on its 76th birthday this Sunday.

On August 14, 1935, President Franklin Delano Roosevelt signed the Social Security Act into law. No other law enacted in the United States in the past century has meant so much to so many for so long. For millions of Americans, across multiple generations, Social Security has been and will continue to be an economic bulwark and a personal lifesaver.

[Social Security is a poverty-prevention program](#). In 1935 half or more of America’s elderly were poor. By 1959, 35 percent still fell below the poverty line. But by the 21st century, with both Social Security and Medicare providing a basic foundation, fewer than 1 in 10 seniors is poor. For the overwhelming majority of retirees, Social Security is a critical component of their retirement security.

Standing behind President Roosevelt at the historic 1935 signing ceremony were several men – and one woman: Secretary of Labor Frances Perkins, the first woman to hold that office and the first to serve in a President’s cabinet.

Frances Perkins was the chief architect of the Social Security Act. Although she worked for (and revered) FDR, it has been said of her that in character she had no superior. She proved her mettle when, over the course of a few short months, she oversaw first the drafting of the unprecedented legislation and then the campaign to get it enacted.

The legislation reflects her personal and professional philosophy:

*The people are what matter to government,
and a government should aim to give all the people
under its jurisdiction the best possible life.*

Social Security was enacted in that spirit and over the years has carried out its mission with the help of a succession of political leaders from both parties who have recognized its value and who have fought when necessary to keep the program solvent and strong.

Since it began, Social Security has paid \$12.0 trillion in benefits and administrative costs. But, importantly in this time of budget worries, [the program has collected \\$14.6 trillion in taxes and interest on its reserves](#). In other words, while the rest of the federal budget was disappearing down a deficit chasm, this fiscally responsible program was building reserves that now amount to \$2.6 trillion to help pay for the retirement of the baby boom.

Moreover, while the number of those receiving benefits will increase nearly 70 percent in the next 75 years, the cost of the program as a percent of gross domestic product (GDP) will increase only 25 percent – from 4.8 percent to 6.0 percent. Why? Because changes enacted in 1983 [that reduced future benefits by 19 percent on average](#) are still being phased in.

As a result, [Social Security has the resources to pay all promised benefits for the next 25 years](#). Moreover, it is 90 percent solvent for the next 50 years, and 87 percent solvent for the next 75 years. [Modest changes, including some new revenues, will keep the program fully solvent for its next 76 years](#).

This is reassuring – because, as Frances Perkins figured out long ago, “the people are what matter.”