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Article

Advancing a Retirement Income Security Agenda for All Generations

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White House Conferences on Aging, held roughly every 10 years since 1961, have "generated ideas and momentum prompting the establishment of and/or key improvements in … programs that represent America's commitment to older Americans" (The White House, 2015a). In terms of economic security, notably, the 1961 conference gave a push to the enactment of Medicare by recommending the provision of medical care for the aged through Social Security (Senate Special Committee on Aging, 1961). In 1971, President Nixon advocated inflation-proofing Social Security benefits, saying "It does not make sense to have … benefits constantly behind inflation" (Nixon, 1971), language backed-up when he signed the 1972 amendments to the Social Security Act implementing automatic cost of living adjustments (the "COLA"). While unlikely that this year's conference will see the fruits of its labor enacted into sweeping policy change in the near term, it could play an important agenda-setting role for future congresses and presidents if conference planners and delegates:

- Explicitly reject the "entitlement crisis frame" and language;
- Advance the intergenerational understanding of Social Security;
- Highlight economic insecurity among today's seniors
- Sound the alarm on the looming retirement income crisis;
- Consider benefit increases in Social Security as a critical option

Reject the Entitlement Crisis Frame and Language

Once a neutral budget term, "entitlement" has taken on new meaning in policy, media and even everyday discourse—one that diminishes the dignity of the old and contributes to the mis-framing of policy discussions about the economic consequences of the aging of America. Conference planners and participants should reject "entitlements" language and urge politicians and the press to do likewise. Here's why.

Americans properly understand Social Security and Medicare as benefits they have earned through lifelong contributions from their (or a family member's) earnings, not as a "hand-out." Medicaid, in turn, ensures that the poor as well as many very sick Americans obtain needed health care. Subtle or not, "entitlement" terminology implies that somehow such benefit protections are not deserved. Intended or not, the language chips away at the self-esteem and reinforces negative stereotypes that somehow the old—like spoiled, overly entitled children or adults—are demanding and taking more than they deserve (Altman & Kingson, 2015).

The terminology of entitlement is functional for those wanting to scale-back or otherwise radically change—Social Security, Medicare, and Medicaid. Rather than frontally attacking these popular programs, it allows them to obfuscate their intentions by attacking "entitlements."

Lumping these programs together as a "unified entitlement problem" provides a convenient frame for advancing and reinforcing the claim that entitlement spending is the largest cause of federal deficits and the national debt, and that left unchecked this spending will bankrupt the nation. As William Greider writes in *The Nation*, the political consequences of this shift in meaning are not benign:

> For many years, the smug elites of Wall Street have peddled "entitlement reform" as a sly euphemism for cutting Social Security. And Washington's political elites, including President Obama, bought into the propaganda. Social Security, not to mention Medicare and Medicaid, was driving the nation into ruinous debt if government did not act to curb this venerable New Deal program. Think tanks and editorial writers, political reporters and TV talkers, witlessly embraced the big lie and promoted it as indisputable truth (Greider, 2014).

Equally problematic, the terminology of "entitlement," "entitlement problem," and "entitlement crisis" distracts attention from tax spending sprees (e.g., profligate tax cuts and expenditures primarily benefitting well-off constituencies), two wars paid for with credit cards, financial mismanagement leading to the near collapse of our economy, and widening inequalities of income and wealth. Whatever the problem, this frame offers cuts to spending on Social Security, Medicare, and Medicaid as solution.

Promote Intergenerational Understanding of Social Security

At any one point in time Social Security serves all age groups and, over time, all generations. Princeton economist J. Douglas Brown, an architect of the Social Security Act, spoke eloquently of Social Security as a covenant reaching across generations and arising from a commitment to mutual responsibility that undergirds civilization. This covenant "underlies the fundamental obligation of the government and citizens of one time and the government and citizens of another time to maintain a contributory social insurance system" (Brown, 1977, 31–32).

The most important source of income for retirees, Social Security is also working American's most reliable disability insurance and the nation's largest children's program. Indeed, 3.4 million dependent young children and one million dependent adults disabled before age 22 receive benefits each month. The most significant source of income flowing into the homes of 7.4 million children being raised by grandparents or other older relatives, Social Security is also the most important life and disability insurance working parents have, protecting nearly all of the nation's 74 million children. As important as Social Security is for today's old, it is likely to be even more so for today's young- and middle-aged workers. Indeed, it is they who have more at stake if benefits are cut or expanded (Altman & Kingson, 2015).

Unfortunately, in policy discourse Social Security is often presented—by both friends and foes—as if it is only a program for the old. And, the prime sponsor of this year's WHCOA contributes to this mischaracterization.

The President's 2007–2008 presidential primaries and general election campaigns and the White House website provide case in point. Unionists, women, religious groups, environmentalist, and the like were listed among the 25 or so groups providing special support for candidate Obama (e.g., "_____ for Obama"). "Seniors for Obama" was nowhere to be found on this list. Instead, seniors were assigned to the "Issues" section of the website under "Seniors and Social Security."

The problem here is that "Seniors" are not *issues*, and, "Social Security" benefits and policy concerns everyone, not just seniors. A one-time occurrence would be of little concern. But in spite of requests by supporters engaged in the campaign and followed by similar requests at White House meetings, "Seniors" and "Social Security" remain joined under the "Issues" tab on The White House (2015b) website (see Figure 1).

Like the contemporary use of the word "entitlement," intended or not, defining seniors as "an issue" is, at best, inaccurate, and, at worst, disrespectful. And presenting Social Security narrowly as an issue primarily of concern to the old misframes policy discussions. So, it is time for the White House to push the "reset" button...

Language frames issues and conveys attitudes. Like the contemporary use of the word "entitlement," intended or not, defining seniors as "an issue" is, at best, inaccurate, and, at worst, disrespectful. And presenting Social Security narrowly as an issue primarily of concern to the old misframes policy discussions. So, it is time for the White House to push the "reset" button with regard to how it talks about older Americans and Social Security. Failing this, the WHCOA delegates could perform an important service by raising such concerns.

Highlight Economic Insecurity Among Today's Seniors

By virtually any measure, the economic status of the old has, on average, improved since the 1950s, with, for example, poverty rates declining under the official poverty measure from roughly 35% in 1959 to 9% today (15% when the Census Bureau's new Supplemental Poverty measure

Figure 1. Seniors are not issues.

is used). But contrary to stereotypes, most seniors are not living on easy street. A small percentage is wealthy, while many more live in poverty or near the margin of economic insufficiency. Indeed 48% of seniors are economically vulnerable when 200% of the New Supplemental Poverty Measure is used as the standard. Others—including many among the one out of four senior households with annual incomes in excess of $50,000—are comfortable but often only one shock away from serious financial problems (Altman & Kingson, 2015).

Monthly Social Security benefits for seniors are modest, averaging just $1,328 in January 2015. Yet, two thirds of beneficiaries, 65 and over, receive at least half of their income from Social Security (U.S. Social Security Administration, 2014).

While the struggle to make ends meet is a burden many seniors face, this pattern of economic stress is generally more pronounced among particular demographic groups—notably Latinos, African Americans, unmarried women, and the oldest old—who are very much at risk for living in poverty based on their limited access to resources and societal limitations that have prevented many from accumulating wealth over their lifetimes. Also, a large numbers of older workers, with health limitations and/or little opportunity to work, accept Social Security retired worker benefits at early ages (e.g., 62), thus sustaining large, permanent reductions in their monthly benefits.

Social Security has helped maintain a standard of living for many families of color in America that may otherwise not be possible. People of color rely more heavily on survivor and disability benefits, reflecting lower educational attainment and higher incidence of poverty and morbidity (Martin, 2007). While non-Hispanic whites are more likely to possess wealth outside of their Social Security retirement benefits, many people of color rely solely on what they earned from Social Security for financial stability (Rockeymoore & Lui, 2011). Many people of color have also been unable to obtain wealth through their lifetimes due to past racial discrimination in American policies, yielding a disproportionate reliance on Social Security benefits to ensure that they are able to meet basic monthly expenses.

While acknowledging the heterogeneity of economic circumstance among today's old, the 2015 WHCOA provides opportunity to highlight the very real financial insecurities facing the majority of seniors today, especially those who are most vulnerable.

Sound the Alarm on the Looming Retirement Income Crisis

American workers face a looming retirement income crisis, where far too many will find themselves unable to maintain their standards of living when they grow old.

Allianz Life Insurance Company reported, from its 2010 survey of 3,257 people, that "an overwhelming 92%" answered that they absolutely (44%) or somewhat (48%) believe that the nation faces a retirement income crisis, with "more than half (54%)" of persons ages 44–49 saying they are "totally unprepared" for retirement (Allianz Life Insurance Company, 2010). In their 2013 retirement confidence survey, the Employee Benefit Research Institute found that only "13 percent are very confident they will have enough money to live comfortably in retirement," the lowest ever reported in the 23 years of conducting this annual survey.

This lack of confidence is not surprising as the past 35 years have not been good to most American workers. Only the top 10% of the income distribution have seen aggregate gains in household income (Picketty, 2014). From 1979 until the eve of the Great Recession in 2007, almost two fifths of all gains in household income were received by the top 1% (Hacker & Pierson, 2010), while men in the bottom 60% saw their real wages decline (Economic Policy Institute, 2012). Further, traditional private sector defined benefits are rapidly disappearing, public sector plans under political attack, and 401K and related retirement vehicles primarily benefit the well-off. And changes enacted in the 1983 (e.g., raising retirement ages, taxing benefits) have reduced benefits by roughly 24% for persons born after 1959 (Altman & Kingson, 2015).

The economic crash furthered the deterioration of retirement prospects for countless individuals. Since 2008, many people in their 40s and 50s have been balancing substantial losses of 401(k), IRA and other savings, pension protection, housing equity, and job security with the rising cost of health care and college tuitions. The median income of households headed by persons 55–64 dropped from $61,700 in 2009 to $58,626 in 2012 (Kingson, 2013). Post-crash in 2013—after the stock market increased and housing prices improved—52% of households were on a glide path to an inadequate retirement income (Munnell, Hou, & Webb, 2014), presumably as much as two thirds more if health and long-term-care costs were included in this risk assessment (Altman & Kingson, 2015).

According to the Pension Rights Center there is a $6.6 trillion deficit between what Americans have saved for retirement and what they should have saved in order to maintain their current standard of living. According to the National Institute on Retirement Security 38.3 million working-age households (45%) do not have any retirement account assets (National Institute on Retirement Security, 2013). Even among working households with retirement savings, "Four out of five working households have … less than one times their annual income" (National Institute on Retirement Security, 2013, 11).

Thus, the WHCOA has an important opportunity to sound the alarm on the retirement income crisis.

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Consider Benefit Increases in Social Security as Critical Option

Responding to the looming retirement income crisis of today's workforce and tenuous economic circumstances of many among today's retirees, legislative proposals are being advanced which increase Social Security's modest, though vital, protections while simultaneously strengthening program financing. These proposals include revenue measures such as lifting the payroll contribution ceiling, gradually increasing the contribution rate over 20 years, and diversifying trust fund investments. With respect to today's and tomorrow's retirees, on the benefit side, they include such proposals as modest across the board increase in benefits, larger minimum benefit payments for low wage-workers, caregiver credits, and use of the Consumer Price Index for the Elderly (CPI-E) to calculate COLAs.

A poll by the National Academy of Social Insurance (NASI) indicates that our Social Security system is supported across all political groups; self-reported Democrats, Republicans, and Tea-Partiers alike agree that Social Security benefits should be expanded because they understand the importance of the system to their families and communities (Tucker, Reno, & Bethell, 2013). Americans favor having millionaires and billionaires pay the same rate by raising the payroll contribution cap, currently set at $118,500 for 2015 (U.S. Social Security Administration, 2015).

Of course, many disagree with the proposition that it is time to expand Social Security, but that should not stop the WHCOA from recommending that very serious consideration be given to such proposals. Whatever the outcome, the nation will benefit from a full and open debate and the WHCOA can serve as vehicle to facilitate such debate.

Conclusion

The 2015 White House Conference on Aging has the opportunity to delve into diverse issues affecting older Americans, their families, and caregivers. As 2015 begins, we look forward to the 80th Anniversary of the Social Security Act as well as the 50th Anniversaries of Medicare and Medicaid—institutions that have reduced poverty, helped families sustain their standard of living and strengthened the national community. Addressing the retirement income crisis and significant income problems of today's retirees in a way that recognizes the importance of intergenerational commitments and supports the expansion of the nation's most successful and popular domestic policy will resonate most effectively with the American people.

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