

For NYT, the 'Solution' to Social Security Cuts Is —Social Security Cuts

by Joshua Cho

Economist Dean Baker (FAIR.org, 3/19/18) observed that corporate media's calls for cuts to programs for the elderly and disabled under the neutral-sounding guise of "reform" are about as predictable as the sunrise. As illustrated by the **New York Times'** alarmist 1,581-word report (6/12/19) by Jeff Sommer, headlined "Social Security Is Facing Its First Real Short- fall in Decades," another favorite media euphe- mism for cuts to Social Security is "solution."

And not just any "solution"; it has to be "bipartisan," too, in order to beat back the caricature of crazy leftists intent on bankrupting the country with their fiscal irresponsibility, even though there is no evidence that bipartisanship in itself produces better legislation (FAIR.org, 2/3/09).

Sounding the alarm of a "slow-moving crisis," the **Times** warned readers that the most successful anti-poverty program in the United States is going to start drawing on its \$2.9 trillion trust fund next year—for the first time since 1982—in order to keep paying out full benefits until 2034 or 2035. If nothing is done, the **Times** projects that benefits after that point would be cut by an average of 20 percent, and up to 25 percent in later years, because of the "long-known basic math problem" of insufficient numbers of younger people to replace the thousands of Baby Boomers retiring each day. (Actually, Social Security's long-term problems have relatively little to do with the Baby Boom, most of whom will be dead by 2040.)

The **Times** declared the need for a "political solution," and suggested that the "bipartisan effort" by Republican President Ronald Reagan and Democratic House Speaker Tip O'Neill in the 1980s—which it framed as something that was "needed" to overcome a similar "crisis" in their time, after Reagan's budget director's proposal for immediate cuts to retiree benefits backfired—"gives some clues for a possible solution today."

In case readers don't get the hint that bipartisan cuts to Social Security are necessary, the report ended with quotes from John Cogan—described as "a professor of public

policy at Stanford," not as a senior fellow at the right-wing Hoover Institute—talking about how impending benefit cuts will make a bipartisan compromise "possible," and a former Social Security trustee claiming that we "undoubtedly" need a "combination of increased taxes and reduced benefits," because otherwise the "eventual solution will be much more painful."



The New York Times (6/12/19) warns that without painful cuts in Social Security, there could be painful cuts in Social Security.

Notice that even though the **Times** mentions that Democrats in Congress have a plan to expand benefits through higher taxes on the wealthy, which the chief actuary of Social Security says would "eliminate the program's financial shortfall," that is never presented as a "solution"; that word is reserved for things that would be "painful" or "unpalatable but inevitable" for Social Security beneficiaries, like "reduced benefits" or slowing the growth in "real benefits promised to future recipients."

So what was the great "solution" in the 1980s? According to the **Times**, it was to reduce benefits "in more subtle ways" by gradually raising the retirement age from 65 to the current 66 (and eventually 67), while raising taxes and using the surpluses to create the multi-trillion dollar trust fund.

However, it's false to say that the Reagan/O'Neill tweak "raised the retirement age," because people are still allowed to retire at 62, and benefits still increase each year they delay retirement, up to age 70. As a result of Reagan and O'Neill, the amount you

get at any age is now less than it would have been before; the accurate way to describe this is not "raising the retirement age," but "cutting Social Security benefits" (**Extra!**, 12/12).

This is ironic, because in its recent report, the **Times** noted that benefit cuts would be "devastating" for the half of retired Americans who rely on Social Security for most of their income, and especially for poor and African-American retirees, and called for a "political solution" to avoid forcing these people to make "hard choices" between "delaying retirement" or "surviving on less."

Although the **Times** correctly notes that Social Security *benefits* are progressive, giving more benefits to those with greater need, it doesn't note that the payroll *taxes* which finance Social Security are *regressive*, because every working American pays the same percentage up to \$132,900, while income above that amount is exempt from further payroll taxes (**Guardian**, 4/15/13). This regressive aspect, coupled with the rise in income inequality over the past four or five decades, explains a significant portion of the Social Security shortfall (Center for American Progress, 2/10/15).

Fixing Social Security's financial gap need not involve cutting benefits. One popular idea is to scrap the income cap on payroll taxes, as we already did with Medicare, so that the wealthy pay the same amount of their earned income toward Social Security as anyone else. The Congressional Research Service found that eliminating the cap and maintaining the same maximum benefit would by itself eliminate 83 percent of the current shortfall (**Forbes**, 10/25/18).

Sound like a "solution," or most of one? The **New York Times** might call it that—if only it were more painful to retired workers. ■

Joshua Cho is a writer based in New York City.

Visit FAIR's store
online at fair.org

Subscription Questions?

Missing Premiums?

Please email

extra@cambeyst.com

To subscribe, go to: fair.org