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## **Panelists offer social security solutions**

*By Fadhel Kaboub*

Over 100 people attended an all day conference on social security organized by the Center for Full Employment and Price Stability (C-FEPS) last Monday at the University Center, where ten presenters, including seven guest scholars, addressed the debate of the social security "crisis" and the issues related to its possible reform. Earlier this fall, the President's Commission on social security Reform approved a report stating that Social Security will face a financial shortfall in the year 2016. L. Randall Wray, professor of Economics and senior scholar at the C-FEPS, said the report "adopted a tone of urgency, and even scare tactics, in an attempt to push an agenda that favors privatization." "This report is based upon a set of very pessimistic assumptions about future economic performance. Social security benefits can and will be saved regardless of social security revenues so long as congressional will is maintained," Wray said. The proponents of privatizing social security argue that when the "baby boomers" retire in the next two decades, the ratio of retirees to workers will increase dramatically, causing a real burden on the working population. Thus, investing the current social security surplus in the stock market seems a good solution to generate enough funds to support the baby boomers in the forthcoming decades. Wray acknowledged that a demographic problem exists, but he said that accumulating huge surpluses today will not solve the real problem of providing goods and services to the baby boomers in the future. Indeed, Dr. Stephanie Bell, assistant professor of Economics, said that "there is no financial problem at all." Bell argued that "the ability of the U.S. economy to provide for its future retirees does not depend on how much money exists in locked boxes, but rather on the ability of its future workers to provide goods and services." Professor Barbara R. Bergmann from the University of Maryland, author of "Is Social Security Broke?" A Cartoon Guide to the Issues, said that "social security problems are fixable and there is plenty of time to do the fixing." Max J. Skidmore, professor of Political Science at UMKC and author of "Social Security and Its Enemies: The Case for America's Most Efficient Insurance Program," addressed social security's Trustees projections as well as the use of Social Security's surplus. "If policy makers were to base their actions for Social Security on the projections that led them to adopt tax reduction, they would have no concern for restructuring the program," Skidmore said. "Perhaps they may reconsider their call for partial privatization and recommend benefit increases instead." Other presenters – namely, Ellen Frank of Emmanuel College, Michael Hudson of the Institute for the Study of Long Term Economic Trends and Daniel J. B. Mitchell of UCLA – covered topics ranging from ways of preserving and improving social security to the [in]adequacy of today's institutions to provide for the elderly. By the end of the day it was resolved that social security does not face a financial crisis, except the one that may come as a result of a possible privatization. Panelists echoed the need to turn to meaningful policies that will address society's productive capabilities to care for the retiring baby boomers.

Furthermore, it was repeatedly argued that social security is primarily a social program, not an investment program. So nobody gets rich from social security, but at least those who need it can get by. Further information about the conference and about the social security debate can be found at [www.cfeps.org](http://www.cfeps.org). A sign-up form to support "An Open Letter to the U.S. Congress" against privatizing social security is available on the site. •

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