Social Security is better left to the private sphere

By Stephen Schwartz

In the recent debates over the president’s plan to reform Social Security, an important issue has largely been overlooked. Should it, in fact, be saved at all? Since the New Deal, Americans have come to expect more and more federal financial benefits, to the point where almost half of the U.S. budget is devoted to paying for them. More than 40 percent of federal spending goes to Social Security, Medicare, and Medicaid alone. Modern Americans see these programs as entitlements rather than as privileges. Nonetheless, changing circumstances call for a re-examination of their true value.

Social Security was introduced during the Depression simply to ensure that elderly Americans without families to care for them would be secure from the threat of outright starvation. But while saving the elderly may be a worthwhile goal for the government to undertake, the modern standard of living and full medical coverage is not. The first employees of the Social Security Agency (1935) were not employees who needed or wished to see Social Security become a standard component of every retirement plan. Federal medical insurance benefits would have surprised them even more. We have gone well beyond the limits of reasonable altruism and entered the realm of dangerous irresponsibility.

The current re-examination is dangerous in several ways. First, the arguments of my liberal friends who point a socialist obligation to redistribute wealth to those who need it are untenable. All human beings are moral equals in certain respects, but inequality of means and resources is a natural aspect of the human condition. Since differences in wealth correlate with normal human differences in capacity for work, collaboration, innovation, leadership, thought, and so on, economic inequality is a healthy byproduct of differences between people. Furthermore, as long as individuals differ in wealth, some will be able to afford better standards of living and healthcare than others. A close examination of the inequalities of national health systems in Europe and elsewhere leads one to a different conclusion: Especially in a free society, we must accept that some people will always be better provided for than others.

Second, people who are rapidly becoming demographically invisible. When Social Security was first established, the ratio of workers to beneficiaries was nine to one. Social Security is now three to one and will soon drop to two to one. Even so, the Social Security Administration currently receives more money than it pays out and wants the excess to buy Treasury bonds. This is the so-called Trust Fund. By 2018, the situation will be reversed, and the Treasury bonds will have to be spent. The Treasury will then simply be on the losing side of the Social Security surplus, meaning that the Social Security budget crisis will begin long before the Fund is exhausted in 2042. Raising taxes is not a promising solution, for it is unreasonably unfair to the people who every two American workers to support a senior’s comfortable quarter-century of retirement—medication and all. Especially considering that almost half of all income-tax forms filled in the United States show zero tax liability as it is, the burden posed by the elderly will prove too great to sustain at the current levels. The only viable choice is to reduce standards of living, retire later, or prepare more effectively on their own.

Third, there is a powerful case to be made that all government spending on Social Security, welfare, medical insurance, and the like is harmful not only to society as a whole but also to the ostensible beneficiaries of such programs. Social spending makes individuals dependent on the government rather than on their own work. As Charles Murray of the American Enterprise Institute has argued, the greatest accomplishment that individuals can look forward to is the knowledge that they provide for their families. When the government guarantees comfort and healthcare, and such individuals are deprived of their jobs for feelings of self-worth, they and their families suffer.

Related to this point is the ancient insight, confirmed by all our experience, that reminds us that people who come to depend on an outside agent (be it a patron,

We haven got well beyond the limits of reasonable altruism, and entered the realm of dangerous realism.

Kirchick not conservative

To the Editor:

I thought it was good to see Dan Munz’s long-overdue inaugural piece. ‘For the American Right, it’s faction over nation,’ 2/11/05, was a regular column for the Herald. I was more than a little disappointed to see him so inaccurately represent my views about the left’s reaction to last month’s elections in Iraq.

First off, Munz seems to group me as part of the “American right,” along with the likes of Senator James Inhofe (R-Okla). I am not a member of the Republican Party and am by no means a political conservative. This guilt by association is part and parcel of an attempt to make all war supporter out to be political conservatives in order to increase the number of people for the War in Iraq may have been confined largely to conservatives on Yale’s campus, it was by no means a strictly partisan issue nationwide—the overwhelming congressional

Correction and clarifications


The word “toxic” is misspelled. The correct term is “hazardous.”

The article incorrectly states that Yale’s Art Department is involved in the two largest generators of toxic waste on campus.

The article incorrectly states that the Chemistry Department has been less responsive to the complaint than the Art Department.” The Office of Environmental Health and Safety is currently working with the Chemistry Department on data collection.

The article “Campus Progressives go national” [YH, 2/11/05] incorrectly identified Alex Bark, as one of the founders of the Roosevelt Institute at Yale. Jesse Wolfson, TD ’07, is the third founder.

The Herald regrets these errors.