Proposed Social Security benefit cuts won't reduce deficit, expert says

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Recent calls to cut Social Security benefits are grounded in misinformation and misunderstanding, says Merton C. Bernstein, LLB, a nationally recognized expert on Social Security.

“Leaders and members of the National Commission on Fiscal Responsibility have targeted Social Security — advocating the reduction of benefits and an increase in the retirement age,” says Bernstein, the Walter D. Coles Professor Emeritus at Washington University in St. Louis School of Law.

“They are ignoring Social Security’s strong foundation and track record,” Bernstein says. “Cutting the program will lead to undiminished deficits, more poverty, less purchasing power, less business income and more unemployment.”

Bernstein notes that Social Security:

• Pays its own way, does not and cannot add to the deficit and produces surpluses already totaling $2.77 trillion and projected to exceed $4 trillion;

• Pays benefits only to those “entitled” by satisfying prescribed eligibility requirements — extensive periods of work and contribution;

• Insures family members — starting at birth — against income loss due to an earner’s death, disability or retirement;

• Reduces poverty program more effectively than any other program, especially for older women;

• Generates billions of dollars in beneficiary purchasing power that fuel hundreds of billions in sales and millions of jobs; and

• Has non-benefit costs below one percent of benefits paid.

Bernstein discusses the strength and sustainability of the Social Security system and problems with raising the retirement age in his recent *Huffington Post* article, "Fiscal Commission Mistakenly Targets Social Security for Cuts."

Provided by Washington University in St. Louis