

Resource 5

Predictions and Claims

Social Security, as the largest federal program, is a hot-button political issue. The program affects many millions of Americans and has clear benefits as well as costs in the present day. The more contentious issue is the fate of the program in the future—how will the costs and benefits change over time?

Your job is to play the role of an economics reporter for your local newspaper. You have a very strict deadline, so you cannot evaluate each of the following statements in its entirety. Instead, as a good reporter, your job will be to ask the right questions and seek out the right evidence to determine whether what each person is saying is true. For each quote, write down what questions you would ask and what evidence you would seek.

Quote 1

Let me be honest with the people who are watching at home. The government has lied to you, and they have stolen from you. They told you that your Social Security money is in a trust fund. All that's in that trust fund is a pile of IOUs from money they spent on something else a long time ago. And they stole it from you because now they know they cannot pay these benefits, and Social Security is going to be insolvent in seven to eight years.

—New Jersey Governor Chris Christie, October 28, 2015

Quote 2

We can't turn our backs on the promises we've made to our families, friends, and neighbors who need our help the most. . . .The GOP is inventing a Social Security crisis that will threaten benefits for millions and put our most vulnerable at risk.

—Senator Elizabeth Warren, January 6, 2016

Quote 3

The Social Security system gives social insurance a bad name and needs to be replaced, root and branch. I'm a strong supporter of compulsory saving and social insurance. But Social Security, as currently constituted, is a disgrace. It's insolvent, grossly unfair within and across generations, and a user's nightmare.

—Laurence Kotlikoff, April 7, 2014

Quote 4

Growing disparities in life expectancy between America's rich and poor is eroding the progressive nature of Social Security. A new Government Accountability Office (GAO) report, requested by Senator Bernie Sanders, shows that low-income American men will lose 11%–14% of their lifetime Social Security benefits while high-income men will see a 16%–18% benefit boost due to this growing gap.

—National Committee to Preserve Social Security and Medicare, April 4, 2016

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