Refocusing the Social Security debate around intergenerational justice will ensure the viability of retirement for all.

Social Security’s accumulated surplus stands at about $2.9 trillion, according to its trustees’ annual report, which was released last week. If Congress does nothing, the vital social-insurance program would be fully funded for the next 16 years and then trust funds would be sufficient to pay 80 percent of scheduled benefits. But, at least on one side of the aisle, Congress is doing something to put Social Security on solid footing for at least 75 more years.

As the 2020 election approaches, the strategic task of Democrats is to broaden political support for Social Security beyond seniors. By engaging millennials, the largest generation in U.S. history, Democrats can shift the debate to intergenerational justice. Millennials’ cynicism about the future of Social Security must be addressed lest it become a self-fulfilling prophecy.

In recent years, the purveyors of intergenerational-warfare scenarios have repeatedly claimed that retirement security was not possible without throwing young workers under their grandparents’ bus. They urge us to abandon or significantly reduce our nation’s Social Security commitment for future generations because we simply can’t afford it. Unconscionably, too many progressives buy into this zero-sum perspective. Narrowing the frame to focus solely on justice for seniors fails to mobilize constituencies that, if united, would be an unstoppable force capable of returning Social Security to untouchable third-rail status.

Under former Speaker Paul Ryan’s leadership, attempts to dismantle Social Security were touted as reform. But when the new Congress convened in January, at the top of the agenda was the Social Security 2100 Act (H.R. 860), introduced by Representative John Larson (D-CT), which now has more than 200 co-sponsors in the House. The bill would increase minimum benefits, and an annual cost-of-living adjustment formula will result in increased benefits for all recipients.

Larson’s bill gives lie to doomsayers’ predictions. Social Security’s path to long-term economic stability is based on two simple changes. First, a 2.4 percent increase in the payroll tax, gradually phased in one-tenth of a percentage point a year, reaching a combined employee-employer tax of 14.8 percent by 2043—with the impact on low- and middle-income earners somewhat offset by reducing the income tax on Social Security
earnings. Second, applying the payroll tax to income above $400,000 so that wealthy workers would pay tax on income up to the current cap of $132,900 and on their income above $400,000.

Reforming Social Security’s finances shouldn’t be limited to these steps, but it’s a great strategy to take this win and build on it in future years. The hurdle to get over? Winning requires millennials.

The only way to engage young people is by being brutally honest: They will rely more on Social Security for their retirement security than their parents or grandparents have. Millennials are significantly disadvantaged by major structural changes in the economy. These changes, which happened on their grandparents’ and parents’ watch, include wage stagnation, job instability, unprecedented levels of student debt, and rising housing costs. Taken together, these factors make it exceedingly difficult to save for retirement, and traditional pensions are rare. Furthermore, millennials are expected to live longer, thus increasing their reliance on Social Security for disability coverage during their working years and retirement benefits at older ages.

It should come as no surprise that two-thirds of working millennials have zero retirement savings; that figure rises to 70 percent for blacks and 83 percent for Latinos.

Two decades of wage stagnation despite increased productivity has created new barriers to saving. In short, young people are still reeling from the 2008 Great Recession, the decline in union jobs, and the expansion of the gig economy. And unlike previous generations, millennials cannot expect to earn more than their parents. In 1970, more than 90 percent of 30-year-olds earned more than their parents did at a similar age; by 2014, only half did.

As if declining wage prospects aren’t challenging enough, the escalating cost of higher education in the United States translates into current student debt totaling close to $1.5 trillion. For the national economy, this is an imminent crisis as the danger of large-scale default grows. For millennials servicing high debt with starter jobs, saving for a down payment on a home—much less retirement—is completely out of reach.

It wasn’t always this way. When boomers started college around 1964, average annual tuition at a public university was $234; adjusted for inflation, that’s $1,841. For the 2016–2017 school year, the comparison is $6,817, or nearly four times as much. And, of course, you also have to add books, and room and board costs.

For previous generations, home ownership has traditionally been an important pathway to building wealth. The dramatic rise in real-estate prices translates into significant equity for boomers, but makes starter-home purchases difficult for all but the highest earners among young people. Even the most fortunate young people may lack credit worthiness due to high levels of student debt. Among those aged 25-34, home ownership rates have
dropped significantly, from 45 percent in 1990 to 37 percent in 2015, considerably lower than for the two previous generations in the same age group.

Millennials are a very entrepreneurial generation—they’ve had to be to adapt to sea changes in our economy. The hurdle to engaging them on Social Security is getting them to believe that their parents and grandparents will join forces with them to achieve real long-term stability—and not settle for short-term solutions that ensure security solely for the current elder generation.

Young people are right to be cynical. Conservatives promote specious intergenerational-warfare arguments, and too often the media uncritically reports these messages. The Republican leadership promises to protect seniors from cuts, while they insist on the necessity of reducing benefits for future generations. Advocacy groups, too, all too often settle for protecting today’s seniors, ignoring the plight of tomorrow’s.

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Intergenerational justice can change this equation. People identify with their age cohort, but loyalty to their families also runs deep. Acknowledging the serious economic challenges faced by young people and elevating them to the fore of the Social Security debate are the first steps in encouraging millennials not to fall prey to the intergenerational-warfare pundits. Getting Grandma, Mom and Dad, and their 20-, 30-, and 40-something children on the same page about their economic security is a progressive family policy and a winning political strategy.

Broadening the political constituency for Social Security shouldn’t stop with young people. We propose three other strategies.

First, sustaining Social Security is a civil rights issue. Generational historical data for retirees in the U.S. skews white, but that is not the future. Project forward the current economic disparities of wages and wealth for young and middle-aged people of color compared to their white counterparts and it’s clear that future reliance on Social Security will be even greater for them.

It can be difficult to mobilize racial-justice organizations around the future of retirement security, which, if on their radar at all, can be a peripheral issue as they fight immediate battles. But their voices are critical in forcing political leaders to acknowledge that, as our country becomes increasingly nonwhite, this is a vital equity issue. Their leadership can stop what are proposed as “commonsense reforms” that have negative, discriminatory racial impacts. For example, raising the age of eligibility for benefits will disproportionately affect people of color, notably black men, whose life expectancy is less than their white counterparts’.
Second, women have a greater stake in the Social Security debate than men. Despite improvements in women’s educational attainment and career options over the past half-century or more, several factors continue to contribute to a cumulative economic disadvantage for women. Although the gender wage gap has been slowly decreasing, women earn only 80.5 cents for every dollar earned by men in full-time, year-round jobs. Women continue to bear the majority of responsibility for caregiving, which interrupts or reduces time in the workforce, lessening chances of promotion and reducing lifetime earnings.

Recent data shows that 12 percent of all women over 75 years of age are impoverished despite Social Security. Without it, the percent of all women who would be below the poverty level rises to 58 percent.

There’s one final issue that can reframe the debate: The positive economic impact of Social Security benefit dollars extends well beyond individual recipients. Simply put, Social Security is the nation’s biggest economic stimulus. Our research shows that in 2014, Social Security contributed $1.6 trillion nationally as benefits were spent and generated additional economic activity in every state. Further, Social Security’s stimulus effect acts as an automatic economic stabilizer because benefits are received even during economic downturns.

Although Social Security has been the most successful social-insurance and anti-poverty program in the nation’s history, escalating conservative attacks have undermined confidence in its future, particularly among a generation that has come of age facing major economic challenges. Only an intergenerational-justice alliance between boomers and millennials—based on truth-telling about each generation’s stake and about race and gender—will have sufficient political power to enhance the program and ensure its long-term political and financial viability. That’s a subject for family reunions as we approach the next election.