

MISINFORMATION CAMPAIGNS IN THE LONG WAR TO UNDERMINE SOCIAL SECURITY

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“Why is the public so misinformed?” asked a woman at the end of a recent meeting that sought to correct prevailing misconceptions about Social Security. The speaker started with a quip from Will Rogers, “it ain’t what people don’t know that’s so dangerous, it’s what people *know*, that *just ain’t so!*” He went on to present the distortions about Social Security that have influenced public thinking – after constant repetition on radio and television and in the print media.

The woman’s question deserves a clear answer. Public thinking about Social Security has been confused by an unending stream of misinformation campaigns. Social Security is very popular and has done a stellar job of protecting retired and disabled Americans. But opponents have never stood down. They have repeatedly mounted well-financed campaigns to undermine public faith in social insurance, including Social Security as well as Medicare. Citizens are entitled to know about the misinformation campaigns and their worrisome effects on public views.

A Long History of False Attacks

When the Social Security Act became law in 1935, many large employers and trade organizations were furious. Just before the 1936 elections, workers across the country received printed notices in their pay envelopes. “You’re sentenced to a weekly pay reduction for all your working life,” the notices said, saying that workers might never receive any benefits. “You’ll have to serve the sentence unless you help reverse it on November 3.”

This was a well-organized campaign, but it fell flat. President Franklin D. Roosevelt took to the airwaves from Madison Square Garden and blasted the employers for deceit. In the next election, FDR carried every state except Maine and Vermont. Despite some ups and downs during and right after World War II, Social Security was destined to survive and eventually gain the reputation of being the “third rail of American politics – touch it and you die.”

Social Security progressed without much public controversy until the 1970s. But long before then, a charismatic figure emerged who began gather support for attacks on Social Security in quiet venues. That was former film actor Ronald Reagan, who moved beyond his early New Deal enthusiasm and became a spokesman for the General Electric Company, giving what he called “The Speech,” at hundreds of company banquets and other gatherings throughout the country. Non-conservatives who heard Reagan attack Social Security dismissed him as a crank, a right-wing extremist. He pulled figures out of the air, and alleged that Social Security reduced wages, increased taxes, and was a “sure loser.” Reagan also pioneered attacks on Medicare as “socialized medicine” and a step toward totalitarian dictatorship.

Persistent ideological attacks from Reagan and others in the growing conservative movement did make rhetoric criticizing Social Security somewhat less toxic for politicians than it had been. When he moved into the White House in 1981, President Reagan renewed his attack on Social Security and tried to push fundamental retrenchments in the system. The public reaction was so fierce that Reagan backed down and promised not to question Social Security again. He did not renew his broadside attack, yet he succeeded in eliminating the minimum benefit – a floor below which no benefit could fall regardless of how low a qualified beneficiary’s wages had been. Reagan also eliminated the college benefit that had allowed survivors’ benefits to go the children of deceased wage earners until the age of 21, instead of 18, if they enrolled in college.

A Conservative Game Plan to Undermine Social Security

President Reagan may have been forced to retreat, but a bold plan for the elimination of Social Security came in 1983 from the Cato Institute and the American Enterprise Institute, when Stuart Butler and Peter Germanis published a game plan with the revealing title, “Achieving a ‘Leninist’ Strategy.” This article acknowledged that Social Security was popular, yet outlined a two-pronged strategy for undermining public support.

- Reassure older Americans that they would face no change, but trying to convince younger people that the system was headed for “bankruptcy” and would not survive to give them benefits. To the present day, conservative efforts to change Social Security and Medicare radically try to divide generations by promising “no change” for people over age 55 while telling younger people that they must accept radical restructurings of social insurance.
- Butler and Germanis also advocated tax breaks for private savings and investment accounts, so that younger Americans would get used to relying on Wall Street instead of Social Security. Ever since this strategy was laid out, conservatives have pushed 401k plans and other tax-advantaged investment options to “wean” people from public insurance.

Working against “entitlements,” Cato is the most prominent of numerous ultra-free-market organizations founded with money from the billionaire Koch brothers. Other wealthy figures and groups work along similar lines. Perhaps the most zealous is multi-billionaire investment banker, Peter G. Peterson, a founder of the Concord Coalition, which claims that the United States will go bankrupt unless Social Security and Medicare are dismantled before an aging population claims promised benefits. Peterson and his allies have a lot of money and access to media and insider circles. Their genius is in presenting themselves as “reasonable,” and as “non-partisan,” appealing to middle-of-the-road citizens who fail to recognize the ideological biases at work.

Will Stoking Public Worries Work This Time?

Misinformation campaigns have made considerable headway. Americans still support Social Security by overwhelming margins, but they have grown uneasy about its prospects. Public worries do not simply flow from official reports that say Social Security could experience eventual funding shortfalls. Under some official scenarios, Social Security is sound forever; under others, it will eventually need small tweaks. But the critics of Social Security do not want the public to know that the system is in relatively good fiscal shape. They trumpet exaggerated claims of “crisis” in an unremitting effort to get the public to accept radical changes. Recent economic downturns and long-term federal deficits have inspired Social Security’s enemies to try again. It remains to be seen whether their misinformation efforts will work this time.