

The History of Social Security

human capital **debt** **safety net** **reform** **trade-off**
deficit **GDP** **priorities** **spending** **Medicare**
mandatory **budget** **Social Security** **revenue** **health care**
governance **discretionary** **baby boomers** **economic growth**
infrastructure

ESSENTIAL DILEMMA

Social Security Act of 1935: Did the creation of a federally administered old-age pension program support or threaten American values and traditions?

INTRODUCTION

...security was attained in the earlier days through the interdependence of members of families upon each other and of the families within a small community upon each other. The complexities of great communities and of organized industry make less real these simple means of security. Therefore, we are compelled to employ the active interest of the Nation as a whole through government in order to encourage a greater security for each individual who composes it.

—President Franklin Roosevelt, Message to Congress,
June 8, 1934 (Social Security Administration, n.d.e.)

I fear [Roosevelt's Social Security policies] may end the progress of a great country and bring its people to the level of the average European. . . . It will discourage and defeat the American trait of thrift. It will go a long way toward destroying American initiative and courage.

—Senator Daniel O. Hastings (R-DE), 1935 (Williams, 2011)

As of November 2015, over 65 million people, or about one in every five U.S. residents, collected Social Security or Supplemental Security Income (SSI). Sixty-eight percent of beneficiaries were over the age of 65, primarily comprising retirees and surviving widows/widowers, whereas 22 percent were disabled workers under the age of 65 (Social Security Administration, 2015).¹ Social Security is underwritten by money that retirees and their employers contribute through their payroll taxes. Money paid into the Social Security trust fund by current workers maintains the fund balance from which retirees collect their benefits. With some

1. The source for these numbers is the monthly snapshot available from the Social Security Administration. Please check https://www.ssa.gov/policy/docs/quickfacts/stat_snapshot/ for the most recent numbers.

adjustments, this system has been in place since President Franklin Roosevelt signed the Social Security Act on August 14, 1935. The fund has usually run a surplus. Now, because of the large number of retirees in the baby boom (the increase in the number of babies born in the approximately 20 years following World War II), the number of workers in the labor force relative to the number of retirees is changing (from 5:1 in 1960 to 3:1 in 2009 to a predicted 2.2:1 in 2030). It is projected that, without increased revenue or other changes in the program, by approximately 2036, Social Security will be able to cover only 75% of the monthly benefit retirees have been promised. (See the “Overview of Social Security” included with this packet and available online.)

Is it important to preserve this program? Does Social Security represent a core American value, a part of our social contract, an agreed-upon commitment to help elderly American workers support themselves in retirement by requiring them to contribute to a government-run pension plan? Or does it over-reach by requiring workers to contribute to a government program to help fund their retirement?

Today, as in 1935, there is a range of opinion about whether the federal government should be involved in administering a retirement fund. Some people believe this is not the proper role for the federal government and that individuals must arrange for their own retirement, either through a plan administered by their employer or by putting aside money on their own. Others believe the federal government, representing the American people, has a duty to require individuals and their employers to participate in a program that will assure a minimum level of income to retired people, survivors and dependent children (as of 1939), and the disabled (as of 1956). They believe the program represents a shared responsibility to one another and from one generation to the next.

This lesson examines the origins of Social Security and asks students to address its essential dilemma by analyzing documents associated with the creation of the program and statements both for and against it.

KEY TERMS

The following terms and concepts are used in this lesson and appear in the online glossary:

Baby boom, Depression, Retirement plan/pension plan, Social contract, Social Security

STUDENTS WILL UNDERSTAND

- Social Security began during the Depression, a time when one in four Americans were out of work and over half of the elderly lacked sufficient income to be self-supporting.
- Then, as now, views differed on whether the welfare of the elderly should be the responsibility of the federal government.

STUDENTS WILL BE ABLE TO

- Examine sources for information and interpretations, and for cases where they corroborate, complement, or contradict each other.
- Support positions with evidence.

RELATED CURRICULUM STANDARDS

Common Core State Standards (CCSS) Initiative²

CCSS.ELA-Literacy.CCRA.R.6. Assess how point of view or purpose shapes the content and style of a text.

CCSS.ELA-Literacy.RH.11-12.6. Evaluate authors' differing points of view on the same historical event or issue by assessing the authors' claims, reasoning, and evidence.

CCSS.ELA-Literacy.RH.11-12.7. Integrate and evaluate multiple sources of information presented in diverse formats and media (e.g., visually, quantitatively, as well as in words) in order to address a question or solve a problem.

The College, Career, and Civic Life (C3) Framework for Social Studies State Standards³

D2.His.12.9-12. Use questions generated about multiple historical sources to pursue further inquiry and investigate additional sources.

D2.His.16.9-12. Integrate evidence from multiple relevant historical sources and interpretations into a reasoned argument about the past.

National Center for History in the Schools' Historical Thinking Standards⁴

1.F. Chronological Thinking. Reconstruct patterns of historical succession and duration in which historical developments have unfolded, and apply them to explain historical continuity and change.

2.F. Historical Comprehension. Appreciate historical perspectives . . . (a) describing the past on its own terms, through the eyes and experiences of those who were there, as revealed through their literature, diaries, letters, debates, arts, artifacts, and the like; (b) considering the historical context in which the event unfolded—the values, outlook, options, and contingencies of that time and place; and (c) avoiding “present-mindedness,” judging the past solely in terms of present-day norms and values.

3.C. Historical Analysis and Interpretation. Analyze cause-and-effect relationships bearing in mind multiple causation including (a) the importance of the individual in history; (b) the influence of ideas, human interests, and beliefs; and (c) the role of chance, the accidental, and the irrational.

5.B. Historical Issues. Marshal evidence of antecedent circumstances and current factors contributing to contemporary problems and alternative courses of action.

2. National Governors Association Center for Best Practices, Council of Chief State School Officers. *Common Core State Standards*. Washington, DC. Copyright 2010.

3. National Council for the Social Studies (NCSS). *The College, Career, and Civic Life (C3) Framework for Social Studies State Standards: Guidance for Enhancing the Rigor of K-12 Civics, Economics, Geography, and History*. Silver Spring, MD. Copyright 2013.

4. Nash, G. B., Crabtree, C. A., and National Standards for History Taskforce. *National Standards for History: Basic Edition*. National Center for History in the Schools. 1996.

NCSS's National Curriculum Standards for Social Studies⁵

2. Time, Continuity, and Change. Social studies programs should include experiences that provide for the study of the past and its legacy.

5. Individuals, Groups, and Institutions. Social studies programs should include experiences that provide for the study of interactions among individuals, groups, and institutions.

6. Power, Authority, and Governance. Social studies programs should include experiences that provide for the study of how people create, interact with, and change structures of power, authority, and governance.

LIST OF LESSON RESOURCES

The following resources are used in this lesson and can be downloaded online:

1. Letter to Franklin D. Roosevelt
2. Excerpt from “The 1936 Government Pamphlet on Social Security”
3. Excerpts from “Why Social Security?”
4. Opponents of Social Security
5. Excerpt from Franklin D. Roosevelt’s Speech on August 14, 1935
6. Social Security: Visualizing the Debate

5. National Council for the Social Studies (NCSS). *National Curriculum Standards for Social Studies: A Framework for Teaching, Learning, and Assessment*. Silver Spring, MD. Copyright 2010.

DAY 1 of 2

ENTRY

Project or distribute M.A. Zoller's letter to President Franklin D. Roosevelt (**Resource 1**) and ask students how much historical information they can get from this letter and what relationship Mrs. Zoller believes she has or should have with the government. After students have gone as far as they can, supplement the discussion with any of the following questions that have not yet been discussed.

- What circumstances make Mrs. Zoller and her mother's situation so dire?

[Student answers might include: Mrs. Zoller's mother's age, her widowhood, her inability to take care of herself, the inability of anyone in the family to take care of Mrs. Zoller's mother, and the fact that she has no apparent hope of finding help.]

- What is the writer's specific request?

[Students should understand that she specifically asks for the President's assistance in securing her mother's "old age pension" rather than more general support.]

- How does the writer make her case to the president?

[Student answers might include that she personalizes her appeal by relating her mother's situation to that of the president's mother and that she emphasizes how much she and her family have already done on their own.]

- Given the mother's circumstances, what other options might have been available to her? Is her situation a result of poor planning?

[Student answers will vary.]

- What role does Mrs. Zoller believe the federal government (or President Roosevelt) should play in her or her mother's life? What basis might she have for expecting this sort of help from the government? Does she write as if she is expecting something radically new in the way the government takes care of Americans?



See Resource 1 online

[Student answers will vary, but they might note that her appeal—as personal as it is—seems based on a wish that the government would take care of deserving people in need. On the other hand, she is not asking for a change in program or policy, just help from President Roosevelt. Students might speculate about the significance of this. Ask them what else they would need to know in order to understand the basis of Mrs. Zoller's appeal and the extent to which her views are representative of the needs, hopes, and expectations others had at that time.]

Tell students that Mrs. Zoller included a flyer from the election of 1932 implying that, if elected president, Mr. Roosevelt would support plans for a government-sponsored old-age pension. Ask how this new information affects their ideas.

[Students will probably see this as evidence that Mrs. Zoller is holding the president to account and expects him to fulfill his campaign promise of government relief.]

If time permits, ask students to put themselves into the role of the president and write a letter back to Mrs. Zoller. Ask students to share what they have written.

LESSON STRATEGIES AND ACTIVITIES

If students are familiar with the Depression and the Social Security Act of 1935, the “Social Security and Medicare Timeline” and “Overview of Social Security” included in this packet (and available online) may be unnecessary. If they are less familiar with this time period, both documents can be provided as handouts and reviewed before continuing the lesson.

1936 Government Pamphlet on Social Security

Distribute the excerpt from “The 1936 Government Pamphlet on Social Security” (**Resource 2**). Ask students to read the excerpt so carefully that, were the year 1936, they would be able to explain the Social Security program to a somewhat confused aunt or uncle. Play that confused aunt or uncle and ask students to explain the program.

When there is agreement on how the plan works, have students describe what they notice about the program—both in the way it is set up and in the way it is explained. Have them use the description of the program to infer what problem it is trying to solve.

If students have studied the Depression recently, they can call upon that knowledge. If not, or if they struggle and have not yet been given the “Overview of Social Security” included with this packet, distribute it now.

Ask students the following questions:

- Why might some people call Social Security radically new? What role is the government playing in the Social Security program?

[Students might say that it is radically new because it is the first time the federal government has used a mandated program to protect the elderly from poverty. Students might say that it is radical for the government to play this role when saving for retirement is usually thought of as an individual responsibility or what a private company does in setting up a pension plan. They might say that it is radical for the government to require individuals to participate in the program. Other students might say that it is not radical because the government is us and, by looking out for the elderly, it is doing in a more systematic way what we have always done for each other.]

- Would a program like this have met the needs of Mrs. Zoller?

[Students who read closely will note that this will only help workers who pay into the system beginning in 1937. It is too late for Mrs. Zoller. Had the timing been different, her husband or her brother might well have paid into Social Security and been eligible for benefits. Though it is not described in this excerpt, after 1939, Mrs. Zoller would have received a benefit as her husband's survivor.]

- Does this program represent a change in governance that threatens American values and traditions?

[Student answers will vary, but may be consistent with the way in which they responded to the "radically new" question. Students who felt the government was taking care of the elderly on behalf of us as a people may say that it is protecting American values. Others might feel that, because the federal government is requiring workers to contribute earnings to a government retirement program, instead of choosing for themselves how to fund their retirement, it is taking away an important element of freedom of choice.]

Distribute "Excerpts from 'Why Social Security?'" (**Resource 3**). Ask students to review the excerpts and look again at their answer to the question of values and traditions. (Students might also view *Your Social Security*, a 1940s film explaining the new program. It is available at <http://www.archive.org/details/YourSoci1940>.) Ask students again:



See Resource 3 online

- Does this program represent a change in governance that threatens American values and traditions?

[Answers will vary as above, but expect that this time students will take account of the rationale offered in the booklet.]

If students need more guidance, ask them the following questions:

- How does the booklet use the contrast between the past and the present to introduce the new program?

[Student answers will vary, but may include observations about how the booklet links the new program to ways in which Americans have always taken care of one another and changes in the modern economy. They might discuss ways in which the illustrations are part of this message.]

- Would the booklet make the program more acceptable to Americans? Did the booklet affect the students' own ideas about whether the program is consistent with American values and traditions?

[Student answers will vary.]

DAY 2 of 2

Opponents of the Social Security Act

Distribute “Opponents of Social Security” (**Resource 4**). If time permits, organize this segment so that each student reads all four pieces in Resource 4. If time is tight, divide the class into four groups, with each group being responsible for reading and reporting on one excerpt. The directions that follow assume you are using the first model, but can be adapted.

Ideally, students should read each excerpt with very little introduction. Tell them they are to imagine they found their excerpts in the course of their study on Social Security and its significance for the country. Their job is to get as much history as they can from these “found pieces” and then to ask questions that will help them understand them better. Use the following guides to build the discussion.

Excerpt 1: “One Look Back—But Two Ahead” (Silas H. Strawn)

Silas Strawn was president of the U.S. Chamber of Commerce during the early years of the Depression. He supported Herbert Hoover and was opposed to the New Deal. “One Look Back—But Two Ahead” was adapted from a radio broadcast and published in the October 1931 *Rotarian*.

[Student questions will vary. Students might ask what Rotarians are, or what the Rotary or Chamber of Commerce is. Explain that Rotary is a service organization made up of business or professional leaders in a community. Membership is by invitation. The role of the Chamber of Commerce is, according to its mission statement, “To advance progress through an economic, political and social system based on individual freedom, incentive, initiative, opportunity, and responsibility.”]

If these points do not emerge from reading Strawn’s article, direct student attention to the following:

- 1931: The date of the article. The Great Depression had begun in 1929. Herbert Hoover was president. Franklin Roosevelt would soon be competing for election as president in 1932.
- Strawn’s cure for the Depression: Frugality, consumer spending (to maintain standard of living), voluntary efforts to take care of the unemployed (and insure against radicalism), courage, and enterprise. “It will be brought about by cooperating individual effort and not by governmental action.”

Ask students how Strawn is likely to feel about the New Deal and Social Security, and to be specific about why.

[Students should predict that Strawn will be opposed to the New Deal. Students should have no trouble locating examples of his belief in self-reliance. They might speculate that as a representative of small businesses he would not favor the payroll tax employers were required to pay for their employees’ Social Security.]

Excerpt 2: “Stealing”

This letter was written by an anonymous woman to Eleanor Roosevelt in the winter following President Roosevelt’s election to a second term in November 1936. It was published in a 1982 book by Robert McElvaine. The book collected letters sent to the President’s wife and was entitled *Down and Out in the Great Depression*.

Ask them what they can tell about the writer (“anonymous”) based on the letter. Students should report on the following:

- The writer’s preferred role for the government: A very limited one. “Balance the budget and reduce taxes.”
- The writer’s view of Social Security and efforts to stimulate the economy: The taxes are stealing from her because she has provided for herself and her old age.
- The writer’s anonymity: She is asking Mrs. Roosevelt to show the president the letter, which not only is critical of his programs, but also mentions she is one of the “forgotten few,” one of those who didn’t vote for President Roosevelt. She appears not to trust the president.
- The extent to which the 1936 views of “anonymous” express Strawn’s 1931 point of view.

Excerpt 3: The Townsend Plan

Dr. Francis Townsend was a 66-year-old dentist who found himself broke and unemployed in 1933. The Townsend Plan began as a very long letter to the editor in Long Beach, California, in early 1933, while Hoover was still president. Roosevelt had just been elected. The letter was well received and an organization was formed. This document is from a pamphlet distributed nationwide in early 1934. Townsend hoped that Roosevelt would adopt his plan.

Ask students to compare the Townsend Plan with the Social Security program. If students do not mention the significant differences between the two, ask them to go back to the text of the pamphlet and look for them.

[Students should notice that the Townsend Plan promised immediate payments in 1935, and those payments did not require that people work and make contributions. The plan was to be funded by a 2% national sales tax.]

Point out that there was no means test for receiving \$200 a month. Everyone was eligible.

Ask students why this plan might have been as popular as it was (some historians believe it pressured Roosevelt to put Social Security in place) and what more they would need to know to judge its merits.

[Students might note that the plan was popular because it promised generous economic relief quickly. They might also see the sales tax formula for raising the money as simple and “painless.”]

FYI: In Congressional hearings, it emerged that this plan would cost \$2.4 billion a month—\$29 billion annually—and the proposed tax would only raise, at most, \$9 billion annually.

Excerpt 4: Huey P. Long

Huey P. Long was governor of Louisiana from 1928 to 1932 and was elected to the U.S. Senate in 1930. Long founded the Share Our Wealth program, which advocated a redistribution of the nation's wealth. Excerpt 4 includes readings from his autobiography, written in 1933, and from a speech to the Senate he made on February 5, 1934. In his autobiography, Long describes his position on wealth, claiming that 1% of the people own everything in the country. In his Senate speech, made after Roosevelt had become president but before Social Security had been passed, Long outlines his plan. The selection includes the part of the speech that gave an overview of his program, and the detail on his old-age pension plan.

If they don't initiate the topic, ask students the following:

- Compare Share Our Wealth with the Townsend Plan. Are there any similarities in their view of the role of government?

[Students will see that both plans assume that the government has a role to play in managing the wealth of individual citizens, and both provide for the elderly. Students will also see that they have very different goals. Townsend's plan was not designed to change the distribution of wealth in the United States, and that is the core purpose of Share Our Wealth.]

Students might wonder how seriously Long was regarded and how much support he had—how many people shared his conception that one role of the government was to redistribute wealth. After an early alliance, Roosevelt called Long one of the most dangerous men in America. Long enthusiasts are reported to have created 27,000 Share-Our-Wealth clubs and, according to a poll at the time, he might have gotten 11% of the vote running as a third-party presidential candidate.

CLOSURE

Distribute the excerpt of Franklin D. Roosevelt's speech made upon passage of the Social Security bill (**Resource 5**). Ask students to write a letter to President Roosevelt either supporting or opposing him based on what they argue are *American values and traditions*. The letter must request that he do something. The letter should also reference the speech excerpt, the Social Security booklet in Resource 3, and at least one of the excerpts from Resource 4.

FURTHER ENGAGEMENT

Use any of the four cartoons in **Resource 6** to identify how the current debate about Social Security is framed. A Teacher's Guide is included in the resource.

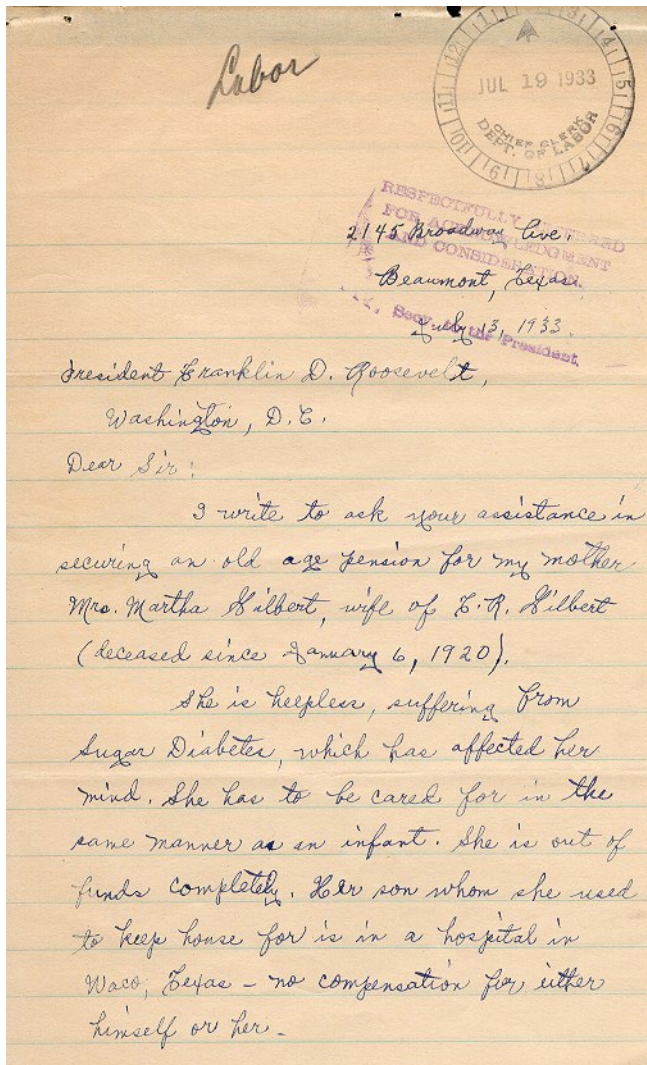


See Resource 6 online

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Resource 1 (1 of 2)**Letter to Franklin D. Roosevelt**



2145 Broadway Ave.
Beaumont, Texas
July 13, 1933

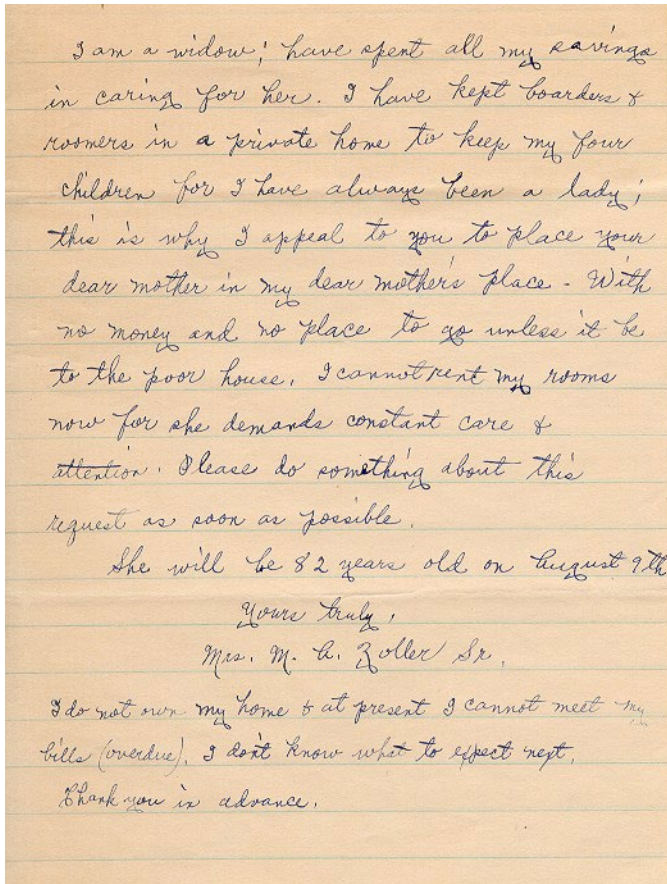
President Franklin D. Roosevelt
Washington, D.C.

Dear Sir:

I write to ask your assistance in securing an old age pension for my mother Mrs. Martha Gilbert, wife of C. R. Gilbert (deceased since January 6, 1920).

She is helpless, suffering from Sugar Diabetes, which has affected her mind. She has to be cared for in the same manner as an infant. She is out of funds completely. Her son whom she used to keep house for is in a hospital in Waco, Texas—no compensation for either himself or her.

Resource 1 (2 of 2)**Letter to Franklin D. Roosevelt**



I am a widow; have spent all my savings in caring for her. I have kept boarders & roomers in a private home to keep my four children for I have always been a lady; this is why I appeal to you to place your dear mother in my dear mother's place. With no money and no place to go unless it be the poor house, I cannot rent my rooms now for she demands constant care & attention. Please do something about this request as soon as possible.

She will be 82 years old on August 9th.

Yours truly,
Mrs. M. A. Zoller Sr.

I do not own my home & at present I cannot meet my bills (overdue). I don't know what to expect next.

Thank you in advance.

I am a widow: have spent all my savings in caring for her. I have kept boarders in a private home to keep my four children for I have always been a lady; this is why I appeal to you to place your dear mother in my mother's place. With no money and no place to go unless it be the poor house. I cannot rent my rooms now for she demands constant care & attention. Please do something about this request as soon as possible.

She will be 82 years old on August 9th.

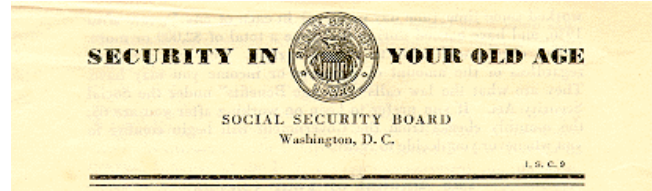
Yours truly,
Mrs. M. A. Zoller Sr.

I do not own my home & at present I cannot meet my bills (overdue). I don't know what to expect next.

Thank you in advance.

Source: Social Security Administration. (n.d.). Letter to President Roosevelt regarding old-age pensions. Retrieved from <http://www.ssa.gov/history/lettertoFDR.html>

Resource 2**Excerpt from “The 1936 Government Pamphlet on Social Security”**

**WHAT THIS MEANS TO YOU**

THIS means that if you work in some factory, shop, mine, mill, store, office, or almost any other kind of business or industry, you will be earning benefits that will come to you later on. From the time you are 65 years old, or more, and stop working, you will get a Government check every month of your life, if you have worked some time (one day or more) in each of any 5 years after 1936, and have earned during that time a total of \$2,000 or more....

The Amount of Your Checks

How much you will get when you are 65 years old will depend entirely on how much you earn in wages from your industrial or business employment between January 1, 1937, and your 65th birthday. A man or woman who gets good wages and has a steady job most of his or her life can get as much as \$85 a month for life after age 65. The least you can get in monthly benefits, if you come under the law at all, is \$10 a month....

TAXES

THE same law that provides these old-age benefits for you and other workers, sets up certain new taxes to be paid to the United States Government...

YOUR PART OF THE TAX

The taxes called for in this law will be paid both by your employer and by you. For the next 3 years you will pay maybe 15 cents a week, maybe 25 cents a week, maybe 30 cents or more, according to what you earn. That is to say, during the next 3 years, beginning January 1, 1937, you will pay 1 cent for every dollar you earn, and at the same time your employer will pay 1 cent for every dollar you earn, up to \$3,000 a year. Twenty-six million other workers and their employers will be paying at the same time.

After the first 3 year—that is to say, beginning in 1940—you will pay, and your employer will pay, 1.5 cents for each dollar you earn, up to \$3,000 a year. This will be the tax for 3 years, and then, beginning in 1943, you will pay 2 cents, and so will your employer, for every dollar you earn for the next 3 years. After that, you and your employer will each pay half a cent more for 3 years, and finally, beginning in 1949, twelve years from now, you and your employer will each pay 3 cents on each dollar you earn, up to \$3,000 a year. That is the most you will ever pay.

YOUR EMPLOYER'S PART OF THE TAX

The Government will collect both of these taxes from your employer. Your part of the tax will be taken out of your pay. The Government will collect from your employer an equal amount out of his own funds....

Source: Social Security Administration. (n.d.). Social Security numbers: The 1936 government pamphlet on Social Security. Retrieved from <http://www.ssa.gov/history/ssn/ssb36.html>

Resource 3**Excerpts from “Why Social Security?”**

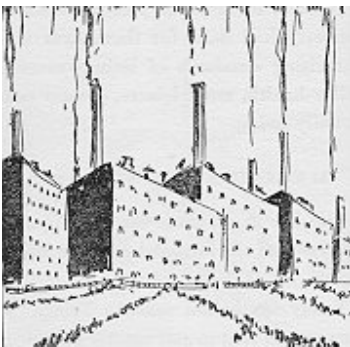
“Why Social Security?” was a 32-page Social Security Board booklet published in 1937 as part of the Board’s efforts to educate the American public about the rationale behind the new Social Security program.

Excerpt 1:

For the colonists a musket was a symbol of a home’s security

“For 250 years and more many American families, like the first colonists, measured their security in terms of the things they could make and do for themselves. As the frontier stretched westward, covered wagons carried with them the habits and ideals that had conquered the wilderness at Jamestown and Massachusetts Bay.

Now automobiles plunge in days over the trails that a scout on horseback or a wagon could travel only in months, and airplanes cross the continent in a single hop. The ways in which American families live have changed as swiftly as the ways in which they travel.”

Excerpt 2:

Today most families must buy, rather than make, their living

“As cities have grown up we have taken another series of steps for social security by banding together to pay for certain kinds of protection that no one family can provide for themselves. We have police and fire departments, for example. We make fire laws governing the kinds of buildings that people may build in safety to themselves and their neighbors. We support public-health departments. We set up traffic regulations to protect safety of life on the highways and streets.

We also have taken steps to aid helpless people who need a kind of care or an amount of protection that few families can provide for themselves. As our increasing scientific knowledge showed the need and the way, we built hospitals for the mentally sick and for people with tuberculosis. We made laws and opened clinics and special schools for crippled children.”

Source: Social Security Administration. (n.d.). Why Social Security? Retrieved from <http://www.ssa.gov/history/whybook.html>

Resource 4 (1 of 6)

Opponents of Social Security

Excerpt 1: "One Look Back—But Two Ahead" (Silas H. Strawn)

One Look Back—But Two Ahead!**By Silas H. Strawn***President, U. S. Chamber of Commerce*

EVERY day those in conspicuous positions in private or public life receive vast numbers of plans or nostrums designed to cure our troubles. No one yet has devised a panacea which seems possible of effective application.

To those who are melancholy about existing conditions and who are wondering whether we ever shall climb out of the present trough of depression, may I call attention to the fact that during the last 120 years, in the United States there have been no less than seventeen major depressions. In 1837, conditions in business and finance were infinitely worse than they are now, but we came out of that depression, as well as those of 1857, 1873, 1893, 1907, 1914, 1920, and 1921, and went on to enjoy greater prosperity and a higher standard of living than ever before.

The responsibility of bringing business back to normalcy throughout the world rests upon the business men rather than upon governments. Governments, as such, can do but little more than maintain peace and order and protect the rights of the individual in working out his own salvation. We have always worked out of our difficulties in the past and there is no reason why we should not be able to do so this time.

By reason of the lack of continuous employment, the difficulties of our wage-earners would be increased if obliged to take a reduction in wages. On the other hand, the wage-earners must come to a realization that some manufacturers cannot resume production at a cost too high for the consumer to pay. The situation demands and, I believe, will receive the cooperation of labor with capital.

The great mass of people cannot and, I confidently believe, will not recede very far from their present standard of living but they will realize that they must be more frugal. They will continue to own automo-

Adapted from a radio address, and published through courtesy of the Halsey-Stuart Company, of Chicago.

Depressions aren't something new. Hard work and self-reliance have always overcome them and laid foundations for new prosperity.

biles and radios. The housewife will insist upon her gossip telephone, her electric lights, and her washing-machine, and her ice-box. Obviously, all of these conveniences make more labor, increase consumption, and add to our general prosperity.

I am in entire accord with the plan of the president of the United States in the selection of a general overseeing committee to encourage local communities to take care of their own unemployed during the coming winter. I regard it as the duty of every employer of labor and of everyone else who can by reasonable sacrifice do so, to contribute liberally to the unemployed funds now being collected throughout the country. These contributions can not be called charitable gifts. They are premiums on insurance against radicalism.

I CANNOT predict when we shall evolve out of our present economic condition but, as I said before, when we look backward and see that in the past we have always come out of depression and gone on to greater prosperity, I am confident that we shall repeat our past experience. I believe there are already encouraging signs on the horizon. When that recovery will come, no one will have the hardihood, definitely, to forecast. Certain it is that it can only be brought about by cooperating individual effort and not by governmental action.

Assuming we have some cause for our present dejection, let us remember we have never experienced even a small part of the difficulties which our ancestors overcame. Let us awaken in ourselves the latent spirit of our forefathers. Let us cease to cast about for nostrums and demonstrate not only courage and enterprise but faith in ourselves and regard the present as an opportunity which challenges our best efforts.

Source: Strawn, S. H. (1931, October). One look back—but two ahead! *Rotarian*, 39(4), 5.

Resource 4 (2 of 6)**Opponents of Social Security**

Excerpt 2: “Stealing”: From a Letter Sent to Eleanor Roosevelt by an Anonymous Woman

[no address]

Jan 18., 1937

[Dear Mrs. Roosevelt] I . . . was simply astounded to think that anyone could be nitwit enough to wish to be included in the so called social security act if they could possibly avoid it. Call it by any name you wish it, in my opinion, (and that of many people I know) is nothing but downright stealing. . . .

Personally, I had my savings so invested that I would have had a satisfactory provision for old age. Now thanks to his [FDR's] desire to “get” the utilities I cannot be sure of anything, being a stockholder, as after business has survived his merciless attacks (if it does) insurance will probably be no good either. . . .

Then the president tells them they should hire more men and work shorter hours so that the laborers, who are getting everything now raises etc. can have a “more abundant life.” That simply means taking it from the rest of us in the form of taxes or otherwise. . . .

Believe me, the only thing we want from the president...is for him to balance the budget and reduce taxes. That, by the way, is a “mandate from the people” that isn't getting much attention.

I am not an “economic royalist,” just an ordinary white collar worker at \$1600 per. Please show this to the president and ask him to remember the wishes of the forgotten man, that is, the one who dared to vote against him. We expect to be tramped on but we do wish the stepping would be a little less hard.

Security at the price of freedom is never desired by intelligent people.

M.A. [female]

Source: McElvaine, R. S. (1983). *Down & out in the Great Depression: Letters from the “forgotten man.”* Chapel Hill: University of North Carolina Press. Retrieved from <http://historicalthinkingmatters.org/socialsecurity/0/inquiry/main/resources/37/>

Resource 4 (3 of 6)**Opponents of Social Security**

Excerpt 3: The Townsend Plan**ANALYSIS OF PLAN****RETIREMENT AT AGE OF SIXTY**

... Approximately 8,000,000 people will be eligible to apply for the pension. Economists estimate that each person spending \$200.00 per month creates a job for one additional worker. The retirement of all citizens of 60 years and over from all productive industry and gainful occupation, will thereby create jobs for 8,000,000 workers which will solve our national labor problem.

RETIREMENT ON A MONTHLY PENSION OF \$200

The spending of \$200 per month is for a constructive purpose. First, to place an adequate amount of buying power in the hands of these citizens which will permit them to satisfy their wants that have been so restricted for the past four years. Second, to create such a demand for new goods of all description that all manufacturing plants in the country will be called upon to start their wheels of production at full speed and provide jobs for all workers.

This money made suddenly available to the channels of trade will immediately start a tremendous flood of buying, since the country has been on short commodity rations for the past four years, and since all sections of the country will be affected alike (the old are everywhere) and the poorest sections will at once become important buying centers.

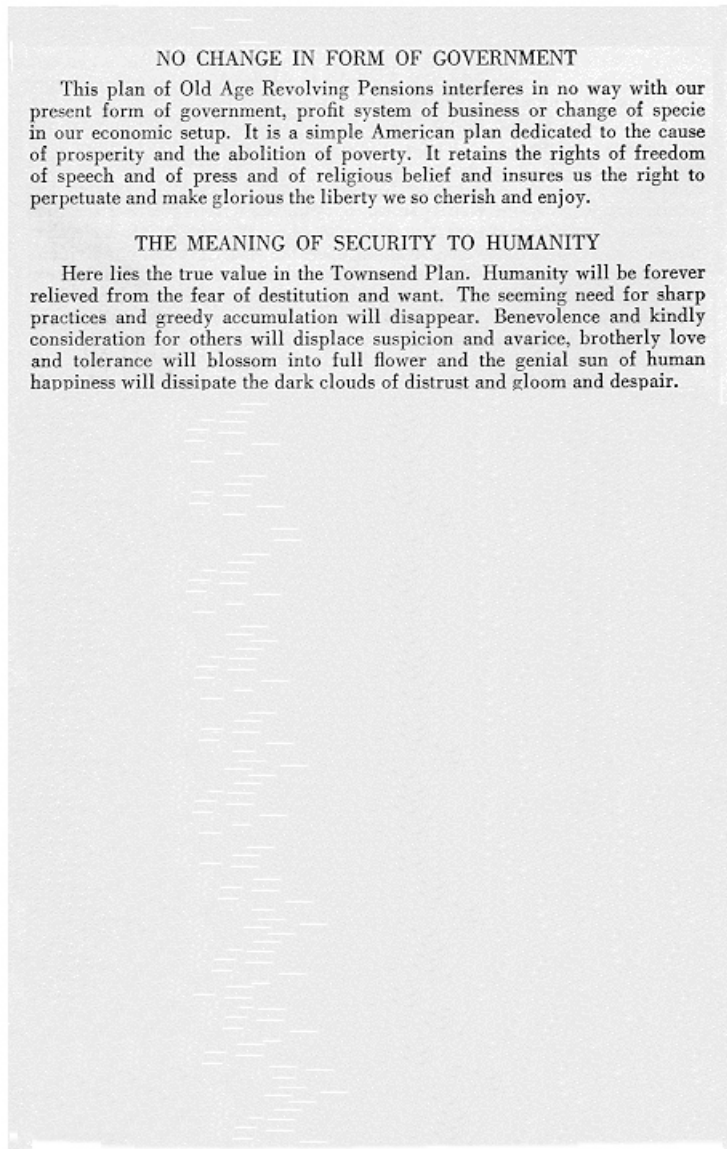
All factories and avenues of production may be expected to start producing at full capacity and all workers called into activity at high wages, since there will be infinitely more jobs available and many less workers to fill the jobs, the old folks having retired from competition for places as producers....

COSTS OF MAINTAINING THE HUGE REVOLVING FUND

The unthinking see a great increase in the cost of living due to the necessity for the retailer to raise his prices to meet the government tax for maintaining the pension roll. He fails to take into consideration the fact that the elimination of poor houses, organized state and county relief agencies, public and private pension systems, community chests, etc., are now costing the country the many millions of dollars per month that the Townsend plan would eliminate. And, too, would not the cost of crime and insane asylums be greatly reduced after the public became assured of the permanency of our prosperity? Further, the tremendous increase in the volume of retail business which this huge revolving fund would insure makes certain that bigger profits would be possible to the retailer through his old rates than ever before and make unnecessary the advance in prices on any articles except those classed as luxuries. Estimated from the sources available a tax of 10% will be ample to raise this fund and the tax can be materially lowered as the volume of trade increases. Competition will still continue to operate and the profit hog will still find competitors who will hold him to a fair price rate. It is the logical foundation for our worthy President's NRA—National Recovery Act.

No one will object to paying the slight advance in price for commodities for the purpose of re-establishing prosperity and, in so doing, making it possible for the elderly people to retire and live comfortably the remainder of their days, since everyone in making his purchases will be providing for his own security when he reaches the age of sixty....

Resource 4 (4 of 6)**Opponents of Social Security**



Source: Social Security Administration. (n.d.). Analysis of plan. Retrieved from <http://www.ssa.gov/history/towns46.html>

Resource 4 (5 of 6)**Opponents of Social Security**

Excerpt 4: Huey P. Long: Autobiography and Speech before the Senate

From the 1933 autobiography of Huey Long, *Every Man a King*

I had come to the United States Senate with only one project in mind, which was that by every means of action and persuasion I might do something to spread the wealth of the land among all of the people.

I foresaw the depression in 1929. . . . I had predicted all of the consequences many years before they occurred.

The wealth of the land was being tied up in the hands of a very few men. The people were not buying because they had nothing with which to buy. The big business interests were not selling, because there was nobody they could sell to.

One per cent of the people could not eat any more than any other one per cent; they could not wear much more than any other one per cent; they could not live in any more houses than any other one per cent. So, in 1929, when the fortune-holders of America grew powerful enough that one per cent of the people owned nearly everything, ninety-nine per cent of the people owned practically nothing, not even enough to pay their debts, a collapse was at hand.

—Huey P. Long, U.S. Senator from Louisiana

Source: Long, H. P. (1933). *Every man a king: The autobiography of Huey P. Long*. New Orleans: National Book. Retrieved from <http://www.ssa.gov/history/huey.html>

Senate speech, February 5, 1934

People of America: In every community get together at once and organize a share-our-wealth society—Motto: Every man a king.

Principles and platform:

1. To limit poverty by providing that every deserving family shall share in the wealth of America for not less than one third of the average wealth, thereby to possess not less than \$5,000 free of debt.
2. To limit fortunes to such a few million dollars as will allow the balance of the American people to share in the wealth and profits of the land.
3. Old-age pensions of \$30 per month to persons over 60 years of age who do not earn as much as \$1,000 per year or who possess less than \$10,000 in cash or property, thereby to remove from the field of labor in times of unemployment those who have contributed their share to the public service.

Resource 4 (6 of 6)**Opponents of Social Security**

4. To limit the hours of work to such an extent as to prevent overproduction and to give the workers of America some share in the recreations, conveniences, and luxuries of life.

...

7. Taxation to run the Government to be supported, first, by reducing big fortunes from the top, thereby to improve the country and provide employment in public works whenever agricultural surplus is such as to render unnecessary, in whole or in part, any particular crop.

...

We propose to help our people into the place where the Lord said was their rightful own and no more.

We have waited long enough for these financial masters to do these things. They have promised and promised. Now we find our country \$10 billion further in debt on account of the depression, and big lenders even propose to get 90 percent of that out of the hides of the common people in the form of a sales tax.

There is nothing wrong with the United States. We have more food than we can eat. We have more clothes and things out of which to make clothes than we can wear. We have more houses and lands than the whole 120 million can use if they all had good homes. So what is the trouble? Nothing except that a handful of men have everything and the balance of the people have nothing if their debts were paid. There should be every man a king in this land flowing with milk and honey instead of the lords of finance at the top and slaves and peasants at the bottom.

...

Motto: "Every man a king" conveys the great plan of God and of the Declaration of Independence, which said: "All men are created equal." It conveys that no one man is the lord of another, but that from the head to the foot of every man is carried his sovereignty.

...

3. Old-age pensions:

Everyone has begun to realize something must be done for our old people who work out their lives, feed and clothe children and are left penniless in their declining years. They should be made to look forward to their mature years for comfort rather than fear. We propose that, at the age of 60, every person should begin to draw a pension from our Government of \$30 per month, unless the person of 60 or over has an income of over \$1,000 per year or is worth \$10,000, which is two thirds of the average wealth in America, even figured on a basis of it being frozen into a few hands. Such a pension would retire from labor those persons who keep the rising generations from finding employment.

Source: Social Security Administration. (n.d.). Huey Long's Senate speeches. Retrieved from <http://www.ssa.gov/history/longsen.html>

Resource 5**Excerpt from Franklin D. Roosevelt's Speech on August 14, 1935**

Today a hope of many years' standing is in large part fulfilled. The civilization of the past hundred years, with its startling industrial changes, has tended more and more to make life insecure. Young people have come to wonder what would be their lot when they came to old age. The man with a job has wondered how long the job would last.

This social security measure gives at least some protection to thirty millions of our citizens who will reap direct benefits through unemployment compensation, through old-age pensions and through increased services for the protection of children and the prevention of ill health.

We can never insure one hundred percent of the population against one hundred percent of the hazards and vicissitudes of life, but we have tried to frame a law which will give some measure of protection to the average citizen and to his family against the loss of a job and against poverty-ridden old age.

This law, too, represents a cornerstone in a structure which is being built but is by no means complete. It is a structure intended to lessen the force of possible future depressions. It will act as a protection to future Administrations against the necessity of going deeply into debt to furnish relief to the needy. The law will flatten out the peaks and valleys of deflation and of inflation. It is, in short, a law that will take care of human needs and at the same time provide for the United States an economic structure of vastly greater soundness.

I congratulate all of you ladies and gentlemen, all of you in the Congress, in the executive departments and all of you who come from private life, and I thank you for your splendid efforts in behalf of this sound, needed and patriotic legislation.

If the Senate and the House of Representatives in this long and arduous session had done nothing more than pass this Bill, the session would be regarded as historic for all time.

Source: Roosevelt, F. D. (1935, August 14). August 14, 1935, excerpt from President Franklin D. Roosevelt's speech, Washington, D.C. Retrieved from <http://historicalthinkingmatters.org/socialsecurity/0/inquiry/main/resources/35/>

Resource 6 (1 of 5)**Social Security: Visualizing the Debate****Teacher's Guide**

The debate about Social Security, its value, and its affordability continues today. Use any of the following four cartoons to identify how the current debate is framed. (Larger illustrations are provided here for reproduction and distribution, or projection.) For each cartoon, ask students to study the cartoon for several minutes. Ask them what they notice, drawing students out on the detail of what they see. If students jump to an interpretation of the cartoon, ask them for the basis of the interpretation and ask other students if they agree or disagree. Consider the following questions to draw students out on each cartoon.



Ask students to make guesses about why the artist chose the metaphor of Humpty Dumpty to depict the modern Social Security system. What view do they think the cartoonist holds about the program?

[The problems facing Social Security are so severe they threaten to topple Uncle Sam. Students could argue that the artist believes the program is dangerous to the country or that the artist believes it is essential to the country.]



Ask students to identify the people in the cartoon, and the position the Tea Party appears to take on the role of government in solving the economic problems of individual people. What view does the cartoonist seem to have?

[The people in the cartoon are middle class people who have suffered significant losses following the 2008 economic downturn. The man behind the desk is a member of the Tea Party, a group that has opposed raising taxes in any way and under any conditions. The cartoonist seems to think that the position of the Tea Party is not going to help people from the middle class.]



Ask students to identify the people in this cartoon and the point the cartoonist is making. Explain to students that Social Security is thought of as an entitlement. Ask them why the lady seems so harmless compared to the other two. Is that a clue about the cartoonist's point of view? How does this cartoon compare to Humpty Dumpty?

[The cartoonist is suggesting that entitlement programs are now perceived as being as much a threat to national security as Saddam Hussein and Osama bin Laden were—or that they are being presented that way, presumably in the media. Student answers may vary on why the lady looks so harmless. It is open to interpretation. Students will probably find this cartoon to be more of a commentary on how we define threats to national security than a commentary on the programs themselves.]



Explain to students that AARP originally stood for the American Association of Retired Persons, and ask them to identify the people in this cartoon and the point the cartoonist is making. Why are the younger people running from the older people? What does the *Planet of the Apes* reference suggest?

[The suggestion seems to be that the number of elderly are increasing at such a rate that they will “take over” and pose a threat to the future of the younger people because the cost of mandated retirement programs, like Social Security and Medicare, will sap their resources.]

Resource 6 (2 of 5)

Social Security: Visualizing the Debate

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Illustration by Taylor Jones



by Taylor Jones, politicalcartoons.com

Resource 6 (3 of 5)**Social Security: Visualizing the Debate**



by Joe Heller, politicalcartoons.com

Resource 6 (4 of 5)

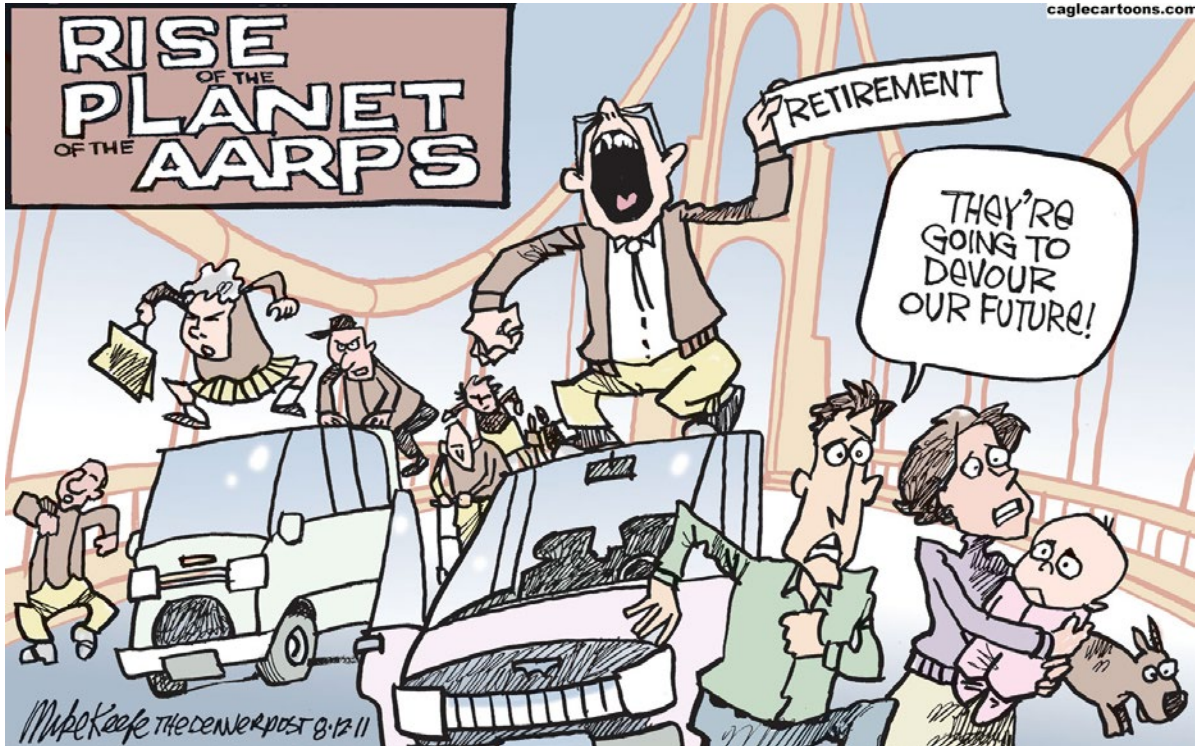
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by Cameron Cardow, politicalcartoons.com

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Social Security: Visualizing the Debate



by Mike Keefe, politicalcartoons.com