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Privatizing Survivors, Abandoning Children

Nancy K. Cauthen
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Yes, Social Security protect seniors—the same seniors filling the "town hall meetings" on Bush's 60-city tour to talk up his privatization plan. But Social Security was designed to protect children as well, and it does a good job. More than 7 percent of American children benefit from the program, and millions are kept above the poverty line through Social Security. Nancy K. Cauthen of the National Center For Children in Poverty says that Bush's silence on the issue of children and privatization has the potential to do great harm.

Nancy K. Cauthen is acting deputy director of the [National Center for Children in Poverty](#) at Columbia University's Mailman School of Public Health.

You wouldn't know it from President Bush's 60-city tour, but the Old-Age, Survivors and Disability Insurance program—commonly referred to as Social Security—was designed to insure "the security of men, women, and children of the nation against certain hazards and vicissitudes of life." The 5 million children who benefit from Social Security every month are as yet invisible in the discussions about restructuring the program. While the debate over Social Security has focused almost exclusively on the potential impact of privatization on retirees, Social Security is actually the nation's de facto family insurance program for workers, their spouses and their children.

As a family insurance program to protect against life's hazards and vicissitudes, it's working pretty well. One in three Social Security beneficiaries is either a disabled worker or the family member of a worker who has become disabled or died. These survivor and disability protections make Social Security the single largest program providing support to American children, paying out roughly \$16 billion annually to child beneficiaries. Far more children benefit from Social Security than from the nation's primary cash welfare program, Temporary Assistance for Needy Families (TANF).

Despite Social Security's undeniable success at providing income protection for families, we now face national proposals that would dramatically alter the program. Creating private accounts to replace part of the current system represents a radical departure from the program's original design. Proponents argue that such accounts would ultimately provide greater security.

But security for whom? What about child beneficiaries—how would they be affected? What about surviving spouses of workers who die, and disabled workers and their families? What about Social Security's original promise that hard-working people and their families would not be consigned to destitution simply because of early death or disability? These questions have barely been acknowledged, let alone addressed.

Here's what's at stake. Approximately 3.1 million children under the age of 18 receive Social Security benefits because a parent has died, has retired, or can no longer work because of disability. An additional 2.2 million children live in households where at least one parent is receiving Social Security benefits. In total, more than 7 percent of all American children currently benefit from the program.

Child beneficiaries of Social Security are only slightly more likely than nonbeneficiaries to live in poverty, but they would be at much greater risk of becoming poor were it not for the safety net that

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Social Security provides. Each year, Social Security keeps 1 million children out of poverty. In other words, Social Security is not only an important resource for poor children; the program also prevents middle-income and low-income children from falling into poverty.

Although private accounts are being touted as a better deal for young workers than traditional Social Security benefits, it is precisely young workers who are among those in greatest need of the program's survivor and disability protections. People in their 20s and early 30s—especially those who are not yet parents—don't worry much about whether they have disability or life insurance. However, according to the Social Security Administration, three out of 10 20-year olds will become disabled before retirement and one out of seven 20-year olds will die before retirement.

The survivor and disability protections provided by Social Security are substantial. In 2001, Social Security provided a young worker with a young spouse and two young children the equivalent of a life insurance policy with a face value of about \$403,000 and a long-term disability insurance policy with a face value of \$353,000.

Perhaps the most compelling example of the protections Social Security provides for our families can be found in the aftermath of 9/11. Immediately following the attacks, most of the children who lost a parent—as well as the surviving parents who stayed home to care for these children—qualified for Social Security benefits. The first checks were received in less than a month.

People all across America have stories about how their own families would have faced severe hardship had it not been for Social Security. Whether or not we care to admit it, we are all at risk of suffering an untimely death or a tragic accident.

Given the importance of the survivor and disability protections provided by Social Security, any responsible proposal for changing the program must address how nonretirees—that is, the children and spouses of deceased workers, as well as disabled workers and their dependents—would be affected. The future security of children and their families depends on it.