

Resource Sheet #5

Excerpt from Social Security Board's pamphlet, "Why Social Security"

This 32-page Social Security Board booklet was published in 1937 as part of the Board's efforts to educate the American public about the rationale underlying the new Social Security program.

The Social Security Act of 1935 grows out of these many changes in American life. It consolidates our past experience in meeting insecurity. It also sets up a bulwark against some of the newer kinds of insecurity that threaten large numbers of us in this twentieth century.

Several parts of the Social Security Act deal with groups of people whose troubles we have recognized for many years. These provisions consider the people who are too young or too old to earn or are physically handicapped. The act authorizes Federal grants-in-aid to enable the States to broaden and extend regular allowances for needy mothers, the needy blind, and the needy aged. It authorizes grants-in-aid for State services for child welfare, for crippled children, and for physically handicapped people who can be helped to work again. The provisions for child welfare apply especially to rural areas.

These sections of the Social Security Act draw on our national resources to help all States to do better what most or all have undertaken in some way and to some degree. They give a way to put into effect the best measures we have been able to devise for helping people who are unable to help themselves.

Other provisions of the Social Security Act recognize the risks of sickness--risks which affect all of us, young and old, rich and poor. The act authorizes Federal grants-in-aid to help States to give service for the health of mothers and children and to strengthen and extend public-health services. It authorizes funds for the study of national and interstate health problems. These parts of the act promote security by preventing sickness and by giving children, especially country children, a fair start in life.

Finally, two provisions deal with insecurity in earning. They apply to groups of our people who have moved into occupations where earning often is risky. They cover a great share of the wage earners who are wholly dependent on their ability to buy a living.

Under one of these provisions, the Social Security Act sets up a framework to protect the States which wish to enact laws for unemployment compensation. Federal funds are authorized to help a State to do this by meeting the costs of administration.

The Social Security Act does not say that any State must have an unemployment compensation law. It does not say what kind of law a State should have. It does say that business in a State which has unemployment compensation shall not be penalized in competition with business in States which do not.

From the beginning of 1935, when the possibility of harmony in State action became clear during the discussion of the Social Security Act in Congress, and up to April 1, 1937, 42 States and the District of Columbia had enacted unemployment compensation laws. These laws are a beginning in making the costs of industry's fluctuations a charge upon industry rather than only on the jobless workers, who hitherto have borne the brunt of industrial change.

The act thus helps States to find ways in which workers and employers can steady livelihood. It also provides ways to build up the livelihood of wage earners in old age.

The Social Security Act establishes a system of Federal old-age benefits which will provide monthly payments, in 1942 and after, to many workers when they reach the age of 65. The amount of a man's benefit depends on the wages he has received in his working years, after 1936, as defined in the act. Thus old-age benefits are based on wage records.

Under another provision of the act grants are made to the States for old-age assistance. Old-age assistance is not the same as old-age benefits. In old-age assistance Federal, State, and local funds are used to help old people who lack means of their own. Regular assistance may be given to any aged person who is entitled to aid under a State plan approved by the Social Security Board. Thus old-age assistance is helping those who now are old and in need.

Old-age benefits, on the other hand, offer future provision for large groups of people who now are working and earning. Under the plan for old-age benefits, the majority of the Nation's wage earners can look forward to a definite old-age income of their own. Their old-age benefits will supplement any savings these workers have been able to make. They do not have to prove that they are needy. The benefits are theirs regardless of need.

If a worker dies before he has received his benefits, his estate receives a lump sum equal to 3 1/2 percent of his wages counted toward benefits.

In general, the Social Security Act helps to assure some income to people who cannot earn and to steady the income of millions of wage earners during their working years and their old age. In one way and another taxation is spread over large groups of people to carry the cost of giving some security to those who are unfortunate or incapacitated at any one time. The act is a foundation on which we have begun to build security as States and as a people, against the risks which families cannot meet one by one.

The colonists and frontiersmen wanted independence. They wanted a chance for themselves and their children.

They wanted a place of their own and an active share in the life of their times.

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There is no reason to think that our wants have changed.

These are the things that most Americans ask today. What has changed is the way we take to get them. Families no longer can carve out security for themselves. Our security is the security of a people.

Today's families, like the colonists', want a place of their own

Facts cited in this pamphlet are drawn from the reports of the U. S. Bureau of the Census and from other authoritative governmental and non-governmental reports, including reports of the White House Conference on Child Health and Protection (1930); *Recent Social Trends in the United States* (1933); *America's Capacity to Consume* (Brookings Institution, 1934); and *Report to the President of the Committee on Economic Security* (1935)

<http://www.ssa.gov/history/whybook.html>