January
2005
Vol. 13 No.1

OSARC newsletter

In This Issue

OSARC
220 East 23rd Street
Suite 707
New York NY 10010
(212) 686-1229
(212) 686-1231 Fax
(212) 330-8833 Hotline
www.osaunion.org

Richard Kucera, Jim McKeon, Joan Doheny, Sadye Olivieri and Kaye Lee at the January OSARC meeting.

THE BIG LIE – HOW TO UNDERMINE SOCIAL SECURITY

The new year has brought a full frontal assault on Social Security by representatives of the Bush administration. To help secure public support for massive and *expensive* changes that would undermine the public provision of retirement benefits, re-introduce insecurity into the retirement years of American workers and deliver an economic windfall into the hands of the investment industry, an orchestrated campaign is currently underway to convince American workers that the Social Security ***[continued, page 7]***

REMINDER: YOUR 2005 DUES ARE DUE

A reminder that it is time to renew your membership or join for 2005. If you do not renew or join by the end of February, you will not receive the next issue of this newsletter.

The list of renewed members on the back of this issue is complete as of January 28, 2005. If you mailed your dues very recently, we may not have received them as of this issue's publication date.

If you have not mailed them as yet, please take a moment now to remit them in a check payable to OSARC, along with the membership renewal form we mailed with last month's newsletter. The same form is available on our website at *www.osaunion.org/osarc*.

Next Organization of Staff Analysts Retirees Club Meeting

Wednesday • February 9, 2005 • 12:30–2:30 pm

OSA Office • 220 East 23rd Street • Suite 709

TAXES FOR RETIREES

Guest Speaker: Lenora Hoffman, Tax Aide Program, AARP

OSARC Officers 2004-2005

Co-Chair.....Mary Hillman
Co-Chair.....Allan Rose
Co-Vice-Chair.....Trudy Stone
Co-Vice-Chair.....Sallie Stroman
Co-Vice-Chair.....Ana T. Vives
Treasurer.....Louis Starkey
Secretary.....Barbara Jones

Newsletter Editor.....Rob Spencer

We'll Be Seeing You in All the Old Familiar Places

A total of thirty nine (39) members and friends attended the January OSARC meeting:

Alice Allen, Leslie Allen, Jean Anmuth, Ken Asbedian, Renée Bash, Tony B. (guest), Elizabeth Borden, Ida Chin, Vincent DiGesu, Joan Doheny, A. William Douglas, Bea Eisenberg, Richard Fink, Manny Friedman, Tom Gorse, Betty Henderson, Mary Hillman, Barbara Jones, Roslyn Jones, Irving Kreindler, Richard Kucera, Kaye Lee, Rosanne Levitt, Hank Mandel, John Mazzarella, Jim McKeon, Dan Morgan, Sadye Olivieri, Edna Riley, Allan Rose, Michael Schady, Michael Spector, Joe Sperling, Trudy Stone, Sallie Stroman, Madeline Taylor, Hattie Thomas, Donald Weinberg, and **Margaret Williams.**

We hope to see **you** at our next meeting.

• • • • •

AARP Rep Subs For IRS In OSARC Tax Presentation

Elizabeth Kinney of the IRS, who provided excellent overviews of tax issues for seniors to OSARC members in recent years, is unable to make the February 9th OSARC meeting. In her place, we've invited Lenora Hoffman, who takes part in the Tax Aide program of AARP, which counsels seniors on tax matters. Bring your questions and concerns.

• • • • •

Schomburg Center Trip Set For February 16th

OSARC's travel committee has arranged a trip to the New York Public Library's Schomburg Center for Research in Black Culture on February 16, 2005 at 11am. Space is limited. So far, 19 have signed up for the tour, with a cap at 30. If you are interested in taking part, please call co-chair Mary Hillman at 718.462.6485. The tour will last 45 minutes. The OSARC group will meet in front of the Center at 10:30am on the morning of the 16th. The Schomburg Center is located at 135th Street & Malcolm X Boulevard (Lenox Ave.) and is convenient to public transportation via the no. 2 and 3 trains to 135th Street. The Center also maintains online exhibitions at www.nypl.org/research/sc/sc.html.

COMRO Report

Jim McKeon, one of three OSARC representatives to the Committee of Municipal Retiree Organizations, reports that discussion at the January COMRO meeting centered on the Bush administration's proposals to privatize Social Security, which COMRO opposes. Some COMRO members suggested eliminating the cap or otherwise raising the wage base upon which Social Security taxes are applied, but they noted the Bush administration is opposed to that approach.


Ken Asbedian at the January meeting.

Current strains on the economy were discussed at COMRO, including the fact of massive tax cuts at a time when the country is in a war and the weakness of the dollar against the Euro. China may be buying our bonds and selling us their products, but they are not buying products from us.

Jim reported that the value of all five pension systems covering New York City workers is now $86.5 billion combined. There are some 331,000 actives in the system and 253,000 retirees – the number of retirees has been rising and the number of actives going down slightly.

Discussion continues at COMRO of supporting a push for health coverage for the surviving spouse of a deceased retiree, something which is now unavailable. Eventually, COMRO hopes to secure coverage for any dependent children as well.

Jim reminded OSARCers of the regular meetings of the New York City affiliate of the Alliance for Retired Americans which is connected to both the national AFL-CIO and the local NYC Central Labor Council. It meets the last Wednesday of each month at 52 Broadway, UFT headquarters, at 10am. Breakfast is provided and the meetings are open to everyone.

Jim was asked about the number of individuals who die prematurely and never live to collect their pensions. He said he would look into the issue.

You can get any cake you want at Edna Riley's restaurant?

In Memoriam

The *Newsletter* is saddened to report the passing of Carolyn Greenberg, who retired as an Associate Staff Analyst at the Administration for Children's Services (ACS) in 1999. At ACS she held many posts, including Director of Contracts.

Ms. Greenberg had a remarkably active community life apart from her work for the City. She became a member of Community Board 8 on the Upper East Side of Manhattan in 1979, left it to work for City Council President Carol Bellamy in her 1986 mayoral run, then returned to the Community Board, where she served two terms as Chair from 1996-7. She continued to serve on CB8 as a member of a wide range of committees and was, at the time of her death, co-chair of the Zoning and Development Committee.

In a November 2004 *Our Town* article, the chair of CB8 saluted her saying "she was someone that really had a tremendous amount of energy, intelligence and passion and was really committed to trying to improve the Upper East Side community."

She was active with her block association on East 88th Street, the Yorkville Alliance of Block Associations, and CIVITAS, where she served on the board and as executive vice-president. Greenberg also served on the board of the Columbia University School of Social Work's Alumni Association.

The *Newsletter* extends its condolences to her family.

• • • • •

Jean Wants Your Socks

OSARCer Jean Anmuth gives us the boot but it's your socks she lusts after for a good cause.

OSARCer Jean Anmuth is soliciting new or used – but clean – socks, hats, gloves, and anything else that will help homeless New Yorkers stay warm during the winter months. Jean volunteers at the Holy Apostles Soup Kitchen on 28th Street & Ninth Avenue which serves 1200 meals a day to New Yorkers in need from 10:30 am – 12:30 pm.

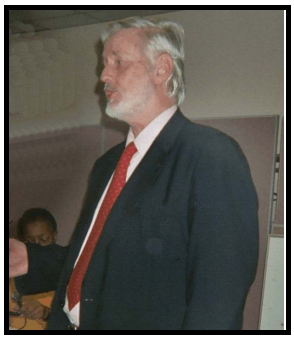
Jean asks that you either bring the clothing to an OSARC meeting or drop it off at the union office for her. She guarantees it will reach needy individuals.

• • • • •

Contribute to the Newsletter: Last month, we published a report by member Kathryn Nocerino on her activities on election day. We want *your story*! What are you doing in retirement? What is meaningful to you? Are you doing something in your community? Are you making a difference? Are you travelling to interesting places? Active politically? Concerned about an issue? Contact editor Rob Spencer at OSA (212) 686-1229.

OSA Chair Croghan Reports on Drug Costs

Organization of Staff Analysts chairperson Bob Croghan provided an overview to OSARC members in January of the current problems facing the PICA drug program and drug costs in general.



OSA Chair Bob Croghan addresses the January meeting.

While not directly affecting retirees, he noted that there will likely be changes in the PICA drug carve-out program, which covers psychotropic, injectable, chemotherapeutic and asthma drugs for active employees. The City had threatened to eliminate the program as of February, but after discussions with the Municipal Labor Committee, further negotiations on cost-savings were agreed to.

Bob predicted that the Municipal Labor Committee would agree to changes in the PICA program to take effect in July of this year. The result will be continued access to these drugs, but at additional cost to active members.

He also noted that the cost of HIP VIP for Medicare-eligible retirees had gone from $98 a month to over $127 a month. OSA now pays those costs, but not forever. At present the OSA Welfare Fund is spending more in reimbursing drug riders for those of OSA's retirees in Medicare HMO's than for those covered by Medicare in GHI, which goes to $170 a month as of January 2005. The Welfare Fund reimburses $50 of that cost.

Bob promised that there will be more information on this topic before any changes are made.

• • • • •

Mark Your Calendars, Give Us Your Ideas, Run For Office

With the enormous success of last year's gala June luncheon, the officers have decided that this year's annual luncheon on June 8th will be held in the same location – La Maganette Ristorante, 825 Third Avenue at 50th Street. Mark your calendars and look for the reservation coupon in the mailing with the April newsletter.

Elizabeth Borden and Michael Spector.

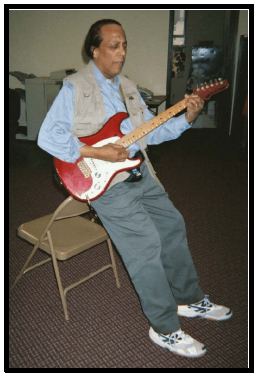
The annual trip on April 13th is fast approaching. Come to the February meeting to discuss potential destinations.

Finally, officer elections are an annual affair in late spring. New blood is always needed. Members are encouraged to contact current co-chair Mary Hillman at 718.462.6485 if you can commit a modest amount of time to help run OSARC.

OSARCers Reveal Hidden Talents

Allan Rose, Sallie Stroman and Mary Hillman explore their theatrical side in a skit at the January meeting.

The January OSARC meeting was awash in song, poetry and humor as OSARCers demonstrated their many talents.



Bill Douglas entertains the troops.

Renee Bash and Roseanne Levitt presented two vocal duets "Deh Prendi Un Dolce Amplesso" drawn from the opera *La Clemenza Di Tito* by Mozart; and "Friendship" by Cole Porter.

Bill Douglas delighted the crowd with his interpretation of George Benson's guitar composition "Masquerade," as well as "The Girl from Ipanema" and "Misty."

Sallie Stroman and Mary Hillman wowed OSARCers with a skit narrated by Allan Rose, in which they portrayed Sister Logic and Sister Mathematician. Allan found the skit on the internet.

Richard Fink read an amusing poem about the changes seniors face (see "The New Alphabet" on this page). Dan Morgan and Jean Anmuth told jokes.

If you have talents to contribute to a future event, give co-chair Mary Hillman a call at 718.462.6485.

• • • • •

Help Grandparents, Take Action Now!

The Caregiver Consent Bill, S.6818/A.11079, was passed unanimously by both the New York State Assembly and Senate early in January. Now it's up to the Governor to sign the legislation into law.

According to AARP New York, "New York State has over 400,000 children living in households headed by a grandparent or other relative. Under current law, it can be difficult for grandparents or other relatives, who do not have legal custody of the children in their care, to make important health and school-related decisions for the child. The Caregiver Consent Bill would fix this problem."

You can call Governor Pataki toll-free at 1(800) 295-5855 to urge him to sign the Caregiver Consent Bill into law. Or send him an email message at http://capwiz.com/aarp/ mail/oneclick_compose/?alertid=6543246.

The New Alphabet

A is for apple and **B** is for Boat,
That used to be right, But now it won't float!
Age before Beauty is what we once said,
But let's be a bit more realistic instead.

Now, **A** is for arthritis;
B is the bad back,
C is the chest pains, perhaps car-di-ac?

D is for dental decay and decline,
E is for eyesight, can't read that top line!
F is for fissures and fluid retention,
G is for gas, which I'd rather not mention.

H is high blood pressure--I'd rather it be low;
I is for incisions, with scars you can show.
J is for joints, out of socket, won't mend,
K is for knees that crack when they bend.

L is for libido, what happened to sex?
M is for memory, I forget what comes next,
N is neuralgia, in nerves way down low;
O is for osteo, the bones that don't grow!

P for prescriptions, I have quite a few,
just give me a pill and I'll be good as new!
Q is for queasy, is it fatal or flu?
R is for reflux, one meal turns to two.

S is for sleepless nights, counting my fears,
T for Tinnitus; there are bells in my ears!
U is for urinary; big troubles with flow;
V is for vertigo, that's "dizzy," you know.

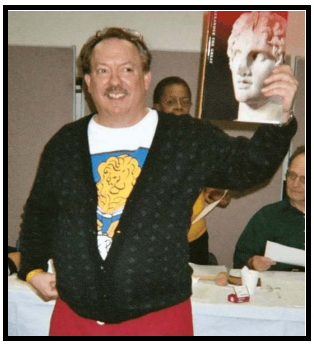
W is for worry, NOW what's going 'round?
X is for X ray, and what might be found.
Y is another year I'm left here behind,
Z is for zest that I still have – in my mind..

I've survived all the symptoms, my body's deployed,
And I've kept 26 doctors fully employed!

OSARC To Visit Onassis Center In March

Member Richard Fink has proposed that OSARC visit the Onassis Cultural Center in midtown, where an exhibit on Alexander the Great entitled "Treasures From An Epic Age of Hellenism" will be on display until April 16, 2005.

The exhibit features more than 200 artifacts including portraits, statues, medallions and other depictions of Alexander. The exhibit also provides



Richard Fink says Alexander was great!

insights into the daily life of the men and women of Alexander's time. Weaponry, tableware, jewelry, dresses and other adornments are also displayed.

OSARC members at the January meeting made a tentative plan to visit the Onassis Center in March. Come to the February meeting for a discussion of the final date of the trip or call co-chair Mary Hillman at 718.462.6485 if you are interested in taking part.

The Onassis Center is located in the Olympic Tower Atrium, 645 5th Avenue between 51st and 52nd Streets. The Center's hours are Monday to Saturday 10-6 and admission is free.

• • • • •

Watchdogs on Drugs?

New York State Attorney General Elliot Spitzer and the New York unit of AARP have announced a new campaign to improve the information available to seniors about the comparative cost of prescription drugs across the state – a campaign in which you can play a part.

"Rx Watchdogs"will survey the retail prices of the most popular prescription drugs, especially those frequently prescribed to older New Yorkers.

Once a month, watchdogs will visit a local pharmacy and request a copy of their current Drug Retail Price List, complete a brief form about their interaction with the pharmacist, and mail or fax both documents to the Attorney General's office.

Roslyn Jones, Kaye Lee and Elizabeth Borden.

The prices will be posted online at the Attorney General's website at www.nyagrx.org in database form, which consumers can use to compare prices to find the greatest prescription drug savings in their own neighborhood. Since August 2004, information on 440 pharmacies in the state's 620 counties have been added to the database. The goal of the new campaign is to significantly widen the number of pharmacies represented in the database.

To become an "Rx Watchdog," contact Anne-Marie Harold immediately at the AARP New York State Office by calling toll-free 1 (866) 227-7442, or (212) 407-3704, or by sending an email to aharold@aarp.org.

• • • • •

Union Density Continues To Plunge, But Union Advantage Remains Large

The decline in union membership continued in 2004, to the lowest level in more than sixty years according to a January 28th article in the *NY Times,* citing data from the Bureau of Labor Statistics.

Only 12.5% of all workers were in unions in 2004, down from 12.9% in 2004 and 20.1% in 1983. Separated into the public and private sectors, the numbers were better for government workers, who remained unionized at more than four times the rate of those in the private sector at 36.4% versus an incredible 7.9%.

Co-vice-chairs Sallie Stroman and Trudy Stone at the January meeting.

The causes for the continuing decline include the loss of jobs in highly unionized manufacturing industries and the growth in largely unorganized retail and service employment, aggressively anti-union policies from union-unfriendly administrations, the failure of American labor law to protect workers seeking to form unions and, according to many in the labor movement, insufficient resources devoted to organizing within labor.

The assault on workers is ongoing. While local government workers remained the most highly unionized workers in 2004 at 41.3%, even that percentage fell from 2003, when 42.6% of local government workers had a union. Recently, the incoming Republican governors of Missouri and Indiana have ordered an end to collective bargaining rights for thousands of state workers.

New York remains the most highly organized state at 25.3%, but only three other states – Alaska, Michigan and Hawaii – have union densities above 20%. Four states – North Carolina, South Carolina, Arkansas and Mississippi have rates of unionization under 5%.

Those in education, training and library occupations and protective services (firefighters and police officers, etc.) have the highest union membership by occupation. Men (13.8%) are more likely to be union members than women (11.1%) and African-American workers (15.1%) were more likely to be union members than white (12.2%), Asian (11.4%), or Hispanic/ Latino workers (10.1%).

Nonetheless, being a union member remains the best way to ensure a better income and benefits.

In 2004, full time wage and salary workers who were union members had median usual weekly earnings of $781 compared to $612 per week for those unrepresented by unions. Obviously, variations in the distribution of union members by occupation industry, region and so on affects the outcome but a nearly 28% union wage "premium" is still quite impressive!

Data from another BLS survey, the National Compensation Survey, released in November of 2004, shows that the union advantage in benefits remains substantial in the private sector. Among the findings:

- From September 2003 to September 2004, unionized workers saw total compensation, including benefits grow 5.8% compared to 3.4% for non-union workers.
- 89% of union workers have access to employer provided medical care compared to 67% of non-union workers.
- 73% of union workers have access to dental coverage compared to 43% of non union workers.
- 56% of union workers have vision benefits compared to 26% of non-union workers.
- Fully funded family health plans (no premiums) are provided to 33% of union members but only 7% of nonunion workers. Fully funded health plans for single workers are provided to 43% of those in unions, but to only 21% of nonunion workers.


Hattie Thomas at the January meeting.

- In retirement packages covering the private sector, the union advantage is even more remarkable: 84% of union workers had some form of retirement benefit versus only 56% of nonunion workers. But more striking, **seventy percent 70% of union members are covered by a defined benefit pension plan compared to only 16% of non-union workers**. Only 10% of all private sector employers are still offering defined benefit plans and *almost exclusively to workers in unions.*

• • • • •

How Can Labor Survive and Grow?

The continued drop in the number of workers represented by unions, especially in the private sector, has led to much discussion within the labor movement about new directions, reorganization and re-direction of resources.


Tom Gorse

A number of unions (led by the Service Employees International Union and UNITE-HERE, which represents garment, textile and hospitality workers) have proposed reorganizing the national AFL-CIO union federation into a smaller number of unions organized by industrial sector.

Other unions have opposed elements of the proposals as anti-democratic.

With major decisions to be made at the next AFL-CIO convention this summer and at the AFL-CIO's Executive Council meeting in March, 2005, a lively dialogue has sprung up with proposals and counter-proposals for strengthening the union movement. The AFL-CIO has devoted a section of its website to these discussions – www.aflcio.org/ourfuture. Another useful site is www.unitetowin.org created by the Service Employees.

You can visit both sites and sign up for email updates.

• • • • •

Ever Work In A DC37 Covered Title? You Can Join Their Retirees Association, Too

It has come to the *Newsletter*'s attention that if, during your career with the City, you ever worked in a title covered by District Council 37 AFSCME, you are eligible to belong to the DC37 Retirees Association, even if you did not retire from that title.


January meeting attendees.

According to Retirees Association President Stuart Leibowitz, the Association works on legislative, political and social campaigns to defend and improve health insurance, social security, pensions and Medicare and funds recreational and learning activities for eligible retirees.

Dues are currently $24 for the calendar year. To obtain a membership application you can visit www.dc37.net, email Leibowitz at retassn @dc37.net or phone him at 212.815.1781.

• • • • •

Drug Rules Give Employers Subsidies for Lower Benefits

When Congress passed the ill-conceived Medicare drug bill in 2003, it authorized tax free subsidies to employers who provide retiree drug benefits at least as generous as those in Medicare. The Congressional Budget Office estimates Medicare will spend $71 billion on subsidies from 2006-13. The subsidy in 2006 is 28% of a retiree's drug costs from $250 to $5,000.

But, according to the January 31st *New York Times,* the Bush administration has issued rules "allowing employers to collect billions of dollars in federal subsidies for prescription drug benefits less generous than what many retirees were expecting under the new Medicare law."

JoAnn Volk, an AFL-CIO health policy analyst, quoted in the *Times* said, "The rules allow an employer to get the subsidy for a benefit that is less valuable to retirees than what they would receive if they signed up for the Medicare drug benefit and the employer dropped coverage altogether."

To qualify for the subsidy, an employer must meet certain criteria on the expected amount of claims paid and the net value of the drug coverage, but, according to the *Times*, the government will allow employers to "disregard the value of catastrophic coverage" provided by Medicare. The *Times* said "the administration said this "innovative approach" to analyzing the value of the standard Medicare drug benefit was recommended by several business groups."

Undermining Social Security (continued from page 1)

program is in "crisis" and the only solution is the introduction of private accounts. At its *best* this is a non-solution to a non-problem.

SOCIAL SECURITY IS NOT "IN CRISIS"

Without any changes at all, the program can pay all guaranteed benefits through 2042, according to the Social Security trustees. That relatively pessimistic analysis is based on an extremely conservative prediction of the rate of economic growth. After 2042, the system could still pay 70% of promised benefits. The nonpartisan Congressional Budget Office (CBO) projects that all obligations can be met until 2053, after which 80% of benefits can still be paid.

Bush's constant use of the word "bankrupt" in regard to Social Security would imply to reasonable folks a complete inability to pay benefits.That's precisely what they want you to believe.

While there may be a long term financing problem (and even that is not a sure thing), it is not a "crisis" and the system is not "going broke."

Given the time frame for the projections, it is worth bearing in mind whether you could have accurately predicted the condition of Social Security and the economy today from the vantage point of 1955 or 1966.

In fact, the Trustees' projections of solvency have steadily improved over recent years. In 1997, for example, the projection was for the trust funds to be depleted in 2029.

THE PROGRAM IS SUSTAINABLE

The shortfall between promised benefits and resources amounts to about 0.7% of gross domestic product or $3.7 trillion. While this is not small, in comparison, the Bush tax cuts of 2001 and 2003 would cost $11.6 trillion if they are made permanent.

The Century Foundation (www.tcf.org) points out that rescinding just a third of the planned tax cuts affecting the wealthy would cover the complete Social Security shortfall.

TRUST FUNDS ARE SECURE

A favorite game of the privatizers is to treat the trust funds as real or fiction, depending on oratorical need. Often you'll hear the trust funds are filled with worthless IOUs. The trust funds today amount to $1.5 trillion and will grow to $5.3 trillion by 2018. They hold US Treasury securities backed by the full faith and credit of the US government. The federal government is legally obligated to pay back principal and interest.

In 1983, current Federal Reserve Chair Alan Greenspan led a bipartisan commission to address the demands on the system with the retirement of the baby boomers. The changes put into place then will result in large trust fund surpluses to pay for the baby boom retirees from 2008-2030.

That the supposed "crisis" is the result of baby boomer retirement seems questionable, since the *youngest baby boomer* will be 78 in 2042 when the trustees project depletion of the trust funds and 89 in 2053 when the CBO projects the same.

GREAT DEAL FOR BENEFICIARIES

Most retired Americans will receive Social Security benefits far beyond their contribution in payroll taxes during their working lives. Most low and moderate income workers receive an annual rate of return in excess of the 2% above inflation that government bonds have typically returned, says the Century Foundation. These returns are not subject to market forces and are indexed to inflation.

Social Security also insures the disabled and survivors. According to Century, in 2000, Social Security disability coverage for the average wage earner with a spouse and two children was equal to a $353,000 disability policy in the private sector. Survivorship insurance the same year was equal to a $403,000 private life insurance policy for the same wage earner. These benefits are also indexed for inflation, unlike private insurance.

ENORMOUSLY EFFICIENT

The administrative costs of the Social Security program are less than 1% of benefits. Fees in privately managed investment accounts could reduce the ultimate retirement value of those accounts by as much as 20%.

In Britain, which began an experiment with private accounts during the Thatcher administration in the 1980's, notes economist Paul Krugman in the *New York Times*, "Many Britons were sold badly designed retirement plans on false pretenses. Companies guilty of "mis-selling" were eventually forced to pay about $20 billion in compensation. Fraud aside, the fees paid to financial managers have been a major problem: 'Reductions in yield resulting from providers' charges,' the Pensions Commission says 'can absorb 20-30% of an individual's pension savings."

PRIVATIZATION WEAKENS SOCIAL SECURITY

While Bush has not yet made a specific proposal for private accounts, his 2001 "Commission to Strengthen Social Security made three proposals for such a diversion of funds into private investments.

The main elements of the most likely proposal, according to the Century Foundation, would be creation of a personal retirement account diverting up to 4% of each worker's taxable payroll income, along with cuts in promised benefits by switching to price rather than wage-indexing.

The approach would reduce guaranteed benefits even beyond the amount needed to close the long-term financing gap.

According to the Alliance For Retired Americans, the result of the change in indexing would mean that, while today, "Social Security benefits equal 42% of an average worker's pre-

retirement income, under the Bush proposal, the benefit would over time equal just 20%."

THE FINANCING PROBLEM

To finance private accounts while paying benefits to current retirees, the federal government would be forced into huge borrowing, far beyond what would be needed simply to close the long-term financing gap. For the next 45 years, according to Krugman, "privatization would cost much more money than it saved."

He goes on to say that borrowing of $1-2 trillion would be needed in the next decade alone, with another $3 trillion in the second decade and another $5 trillion in the third. The extra debt would amount to $15 trillion in total. Krugman says the amounts are based on a Congressional Budget Office analysis of the second and more likely plan proposed by Bush's 2001 Social Security Commission. According to the Century Foundation, the debt burden for every man, woman and child in America 32 years from now would be $32,000 higher because of privatization.

Of course, this debt would be piled on top of the enormous debt from the Bush Administration's simultaneous tax cuts and occupation of Iraq.

Krugman estimates that the budget deficit might be more than 8% of Gross Domestic Product in the next decade if the financing of private accounts is added – a total which "would make Carlos Menem's Argentina look like a model of responsibility. It would be sure to cause a collapse of investor confidence, sending the dollar through the floor, interest rates through the roof and the economy into a tailspin."

KEEPING FOLKS OUT OF POVERTY

Without Social Security, 40% of the nation's elderly would be in poverty, rather than 10%. In 2003, 34% of the elderly relied on Social Security for at least 90% of their income. For 65% of the elderly it's more than 50% of their income.

Social Security is the key retirement income for women. More than half of all women 65 or older are widowed, divorced or never married. These women rely on Social Security for 71% of their income. The impact on women of color is even greater. Unmarried African-American women rely on Social Security for 79% of their income, unmarried Hispanic women for 80%.

Women are less likely than men to receive a private pension.

Since Social Security is progressive in its benefit formula and women on average earn less than men during their working lives, they benefit even more than men from Social Security.

Similarly, workers of color are less likely to have pensions and to rely more heavily on Social Security for retirement income.

YOUNGER WORKERS

The sales pitch for private accounts says younger workers will do better than under the current system. But, according to the Century Foundation, "younger generations will be the ones who bear the bulk of the costs of transforming the program." They cite the Congressional Budget Office which said: "to raise the rate of return for future generations by moving to a funded system, some generations must receive rates of return even lower than whey would have gotten under the pay-as-you-go system." CBO analysis of the Bush commission's second proposal found nearly all age groups at all income levels born from the 1940s to the first decade of this century on average do worse under the proposed system of private accounts.

HOW TO CREATE A CRISIS

In early January, a memo written by an aide to Bush political mastermind Karl Rove was leaked to the press. In it Peter Wehner says "the public must be convinced that the current system is heading for an iceberg."The memo goes on to say "***For the first time in six decades,*** the Social Security battle is one we can win." (emphasis added)

The same memo, says the Alliance For Retired Americans, "acknowledges that private retirement accounts alone do little to solve Social Security's shortfall and privatization proposals must rely on significant reductions in benefits as well."

The Alliance, citing a report in the *Washington Post* said, "the drive to privatize Social Security will use "campaign-honed techniques of mass-repetition, never deviating from the script and using the politics of fear to build support."

The Alliance noted that "The White House is also relying on outside front groups like Progress for America, which has close ties to Rove and supports privatizing Social Security to get out their message."

POLITICIZING THE AGENCY

January 28th, two officers of the American Federation of Government Employees (AFGE) locals at the Social Security Administration, testified before the Democratic Senate Policy Committee that SSA employees were instructed to "promote the idea that Social Security is in a crisis and that private investment accounts are the solution." According to AFGE, the testimony suggests "that SSA may have violated federal law prohibiting agencies from using funds for propaganda purposes unless those funds are specifically designated for such use by an act of Congress."

The agency's communications plan directs workers to spread this message – "in order for Social Security to be there for future generations, necessary reforms must take place." Internal talking points reflect the Bush Administration's line and state "modernization must include individually controlled, voluntary personal retirement accounts to augment Social Security." Mailings to citizens on the benefits they can expect state: "the Social Security system is facing serious financial problems and action is needed soon to make sure that the system is sound."

REPUBLICAN CONCERNS

Despite the orchestrated campaign, some Republicans have begun to express concerns about the wisdom of the Administration's plan. According to the Alliance For Retired Americans, "Some GOP members argue there are more pressing needs such as shoring up Medicare financing and the war in Iraq. Conservative editor William Kristol told the *Washington Post* that many Republicans were 'bewildered why this

is such a White House priority.'"

The *Washington Post* quoted House Ways and Means Committee Chair Bill Thomas, a pivotal tax policy player, as predicting the plan was a "dead horse."

MEDIA FAILURES

The corporate media have, to this point, frequently repeated verbatim the myths being generated by the Republican privatizers.

Fairness and Accuracy in Reporting (FAIR), a progressive press watchdog notes, "Conservatives have been pushing for Social Security privatization ever since the program was created... Scaring the public about the solvency of Social Security has been a major goal of Wall Street financial services companies and their conservative think-tank allies, both of whom favor privatizing the system.... William Shipman, a privatization advocate at State Street Global Advisors – one of the leading Wall Street companies that stand to benefit from the policy – described the difficult process of changing public opinion on Social Security in *The Nation* in 1999:

> First we had the question of whether or not the system is in serious trouble. That took a while. Then it was, should Social Security rely on the markets? That took a while, but there was an extraordinary shift about two years ago and now everyone is talking about investing in the markets for Social Security."

In the November issue of this newsletter, we observed that the privatization crowd was beginning a campaign to remove the word "privatization" and any variation, such as "private accounts" from the table in discussion of the issue. According to the *Washington Post* on January 23rd, "Republican officials have begun calling journalists to complain about references to "private accounts," even though Bush called them that three times in a speech last fall." A FAIR survey of AP articles showed a marked change in references from "private accounts" to "personal accounts" between 2004 and 2005.

This is more than semantics. Control the language of debate and you control the debate.

WHAT SHOULD BE DONE

There is ample time before 2042 or 2053 for reasoned debate and implementation of modest changes that would close the current Social Security program's long-term financing gap, if any. Raising or eliminating the cap on earnings subject to the payroll tax, including all state and local workers in the program (many of whom are now exempt, according to the Century Foundation), and similar modest moves can strengthen the long-term solvency without endangering the system as a whole.

WHAT IS LABOR DOING?

The AFL-CIO has launched a national grassroots campaign against the Bush plan with rallies in major cities, as well as an internet campaign urging investors to force their investment managers to take public positions on the private accounts scheme and a petition to Members of Congress opposing the scheme.

WHAT YOU CAN DO

Become knowledgeable about the issue: www.aflcio.org/issuespolitics/socialsecurity and www.socsec.org are good sources of information.

Talk to younger workers and discuss the importance of maintaining the Social Security program. Begin to counter the propaganda that has convinced many that the program is in jeopardy.

Go to the AFL-CIO's Working Families E-Activist Network website at www.unioinvoice.org/campaign/ProtectSocialSecurity and sign a petition to your Senators and Members of Congress, calling on them to oppose privatization. If you don't have web access, write the same information in a letter. Or call your legislators at (800) 307-8525 and urge them to oppose private accounts.

And visit www.fair.org for information on how the media is covering the issue and frequent action alerts in which you can take part. For example, you can contact the Associated Press at 212-621-1500 or info@ap.org and Daniel Okrent, the Public Editor at the *NY Times* at public@nytimes.com/212-556-7652 and urge them to resist Republican pressure to switch the language they are using in describing the proposal for private accounts.

• • • • •

Happy Birthday to OSA Retirees Born in February!

Gilberte Ambroise, Marsha Ambrose, Jean Anmuth, Henry Armendinger, Mary Bacote-Norkhird, Charles F. Baroo, William Baskerville, Judith Beiss, Margarita Bermudez, Lois Blaine, Eddie Marie Brodie, William burgess, Annette J Carrington, Janice Cerra, Paula Clair, Glynton Coleman, Rose Collins, Robert Croghan, Antonio DeGrella, Janet Deluca, Anthony DiLeonardo, Gloria Djaha, James Duffield, Minna Dunn, William Eglinton, Joyce Eversley, Betty Figueroa, David Fleischmann, Daniel Flynn, Linda Galperin, Sheila Gorsky, Joan Henry, Sherry House, David Houser, Victoria Illery, Ana Irizarry, Brenda Ann Jackson, Flora Jones, Barbara Jones, Herschel Kaminsky, John Kelly, John Kelly, Alma King, Patricia Kushner, Harry Lee, Henry H. Lenz, Rosanne Levitt, Leopold Loher, John Maroney, Roberta Martell, Letitia Maxwell, John Dennis McGreen, Michael Meyer, Carole Mosley, Susan Mullgrav, Alfred Murphy, Leslie Myers, Elizabeth Nobile, Kathryn Nocerino, Patricia Nolan, Catherine O'Connell, Thomas Ogden, Anthony Pappas, Anita O. Payne, Richard Pellechia, Sandra Philip, Douglas Potts, Evelyn Marie Pridgen, Alma Pugliese, Lidia Resnansky, Lloyd Rotker, Anna Rudbarg, Ellen Ryan, Helen Samuels, Sylvia Sands, Wilma Shiffman, Dorothy Skelin, Edward Smith, JoAnn Stone, Franklin Victor, Joy M. Walton, Donald Weinberg, Erich Werner, Naomi Wurzburger.

ACTIVE MEMBERS OF THE ORGANIZATION OF STAFF ANALYSTS RETIREES CLUB

Robert Adamenko
Frederick Alexander
Tristan Allas
Alice Allen
Leslie Allen
Joseph Alvarez
Marsha Ambrose
Aspacia Andros
Jean Anmuth
Florence Applestein
James Arangio
William Archipoli
Hanacho Atako
Robert Backes
Malkit Bains
Ingrid Balady
Steven Balicer
Rafiu Balogun
Mary Bardy
Richard Barth
Eileen Bartky
Renee Bash
Barbara Batts
Earl Batts
Marjorie Baum
Rose Beer
Ruth Bell
Joanna Belt
Carolyn Bennett
Maureen Benson
Elaine Silodor Berk
Herman Berkowitz
Margarita Bermudez
George Bernett
Vidyadhar Bhide
Adona Blake
Helen Blecher
Timothy Bohen
Elizabeth Borden
William Borock
Carmine Borzelli
Carol Bowers
Willie Bowman
Edward Braverman
Maureen Brennan
Eddie Marie Brodie
Joyce Bronstorph
Carol Brown
Richard Brown
Rosemary Brown
Shirley Brugman
Ronald Bruno
James Bucchino
Joe Burgess
William Burgess
Theresa Burke
Kenneth Burton
Patricia Burton
Joseph O. Buster
Dorothy Byrd
Diana Calvert
Eugene G. Calvert
Milton Campbell
Burton Carlin
Joseph Caron
Phyllis Carr
Patricia Caruso
Louis Celi
Janice Cerra
Jean Claude Ceus
Peter Chan
Johnsie Cheatham
Kuttikkattu Cherian
Arthur Chigas
Ida Chin
Estelle Chodosh
Marilyn Cirrone
John P. Clark
Joyce Cleary
Hattie M Cleveland
Joyce Cleveland
George Cohen
Martin Cohen
Glynton Coleman
Elsie Colon
William Considine
Hannibal Coscia
Peter Costa
Henrietta Council
Robert Croghan
Stanley Cutchins
Joseph D'Aiello
Elizabeth D'Aversa

Carol J Dailey
Marilyn Daitsman
Richard M Dalrymple
Dolores Daniels
Frances David
Una Delaney
Mavis Delgado
Ralph Delise
Ralph DeMattia
Ana E Deya
Rochelle DiCristofalo
Vincent DiGesu
Marianne Dikeman
Anthony DiLeonardo
James Dimarco
Philip Dinanzio, Jr
Sheila Dipolo-Donahue
Gloria Djaha
Mary Joan Doheny
Audrey N Doman
William A. Douglas
Christine Dudley
James Duffield
Walter J. Dugan
Alfred Dukes
Martha Easparro
Martina Elam
Terrence J Ellison
May Engler
Linda Erickson
Joyce Eversley
John Farley
Camille Fatto
Mildred Feinstein
Sandra Fernandez
Alice Fichtelberg
Betty Figueroa
Joan Fillot
Richard Fink
Philip Flaum
Jacquelyn Fleming
Daniel Flynn
Gerald Flynn
Judy Flynn
Arlene Forman
Flora Foster
Beverly Freierman
Manuel Friedman
Arthur M. Gaines
Ella Gales
Araleli Gamboa
Boushra Ghaly
Marguerite Ghartey
Mary Giraldi
Edwina Glasco
Nicholas Gleason
Irwin Goldberg
Myrna Gonzalez
Pedro Gonzalez
Myra R. Goralski
Joan Gordon
Marjorie Gordon
Minette Gorelik
Sheila Gorsky
Eli Gottlieb
Sybil Gowdy
Stanley Granat
Alonzo Graves
Eleanor Gray
Susan Greenhouse
Ira Greinsky
Mary Gropp
Frank Gulino
Tilak R. Gupta
Myra Hailey
Marguerite Hajduk
Claire Hall
Edmund Hall
Sandra Halstuch
John Hannigan
Barbara Hanrieder Stewart
Cleve A Hanson
Frances Nadine Hapaz
Sandra Hardison
Gussie Harris
Sandra Hartmann
Chandra Hauptman
Mildred Hawkins
Rhodia Hawkins
Charles Healy
Nancy Hellman
Elizabeth Henderson
Jacquelyn Henderson

Robert Henke Jr
Carmen Henry
Paul Henry
Saundra Henry
Lisa Hernandez
John Heron
Mary Hillman
Solomon Himelfarb
David Hochstein
Joseph Holdampf
Andrew Hollander
Rita Honekman
Novell Hopkins
Marion House
Sherry House
Barbara Hunt
Azeeza Hurston
Nadine Hurwitz
Maria Ibanez
Haydee Inclan
Margaret Ingram
Ana Irizarry
Brenda Ann Jackson
Evelyn Jackson
Janyce Jackson
Valerie Jackson
Amelia Jefferson
Ina Jenkins
Gloria Jimenez
James L Johnson
Lorraine Johnson
Marilyn Johnson
Flora Jones
Roslyn Jones
Eileen V Jordan
Amy Kahn
Melvin Kalmanowitz
Herschel Kaminsky
Frances Keenan
Jeffrey Keller
Margaret Kelly
Elizabeth Klaber
Laura Kleeman
Alfred Klein
Jules Kohn
Roberta Kolin
Marian Konstan
Henry Korobelnik
Jerome Kraus
Irving Kreindler
Jane Kronholtz
Richard Kucera
Adele Kwaw
George Lang
Judith Layzer
Jeannette Lee
Kaye Lee
Henry H. Lenz
Rosanne Levitt
Martin Lewis
Joyce Liechenstein
Michael Light
William Linhart
Lillie R Lockhart
Rosa Lovejoy
Eileen Lovett
Grace Lucas
Joseph Lucas
Flora Lucchese
Mary Ludvigsen
Paul Lurie
Marvin Lutenberg
Rose Maconi
Leo Maher
Janet M Mahoney
Roberta Martell
Claire N Martes
Ralph Martinez
Martha Masnyj
Peter Mastropolo
Laura Matteo
John Mazzarella
Weltha McCant
John J. McElroy
Thomas McEnery
Thomas McGann
Charles McHugh
James McKeon
Kathie McLain
James J. McQuade
Harold Meckler
Margarita Mercado
Samuel Merson

James Meyer
Thomas Mezzatesta
Carol Michaels
Michael J Molinari
Barbara Mont
Helen Moody
Annie Morgan
Dan Morgan
Felice Morris
Susan Mullgrav
J.J. Murphy
Joseph Murphy
Michael Murphy
Ruth Murray
Thomas Murray
John F Nash
James R Nealon
Kathleen Neary-Burns
Annie Newell
Erwin F Nied
Iris M Nowes-Hecht
Stephen M O'Brien
Catherine O'Connell
Sheldon Oliff
Sadye Olivieri
Murray Olsen
Henry Opad
John Ost
James Pappalardo
Larry Pappert
Dennis Parham
Lucille Parris
Melvin Pascoo
Carol Payne
Regina E Pegues
Elba Pelaez
Delores A.W. Peloso
Antony Penel
Sara Perry
Robert Pfefferman
William Pfister
Susan Piccirillo
Jack Pilchman
Phyllis Pomerantz
William Pope
Peter Post
Peter A. Prestia
Evelyn Marie Pridgen
Carl Prisco
Alma Pugliese
Risa Puld
Barney A Puleo
Catherine Quere
Miriam Quintero
Harris Rachlin
Mimi Raimondi
Frederick Ranzoni
Ambati Rao
Patricia Rashkin
Edward Rasquin
Thomas Reed
Joseph Reeves
Theodore Reich
Deborah L. Reid
Fred Reinowitz
Dolores Rice
Jeannette Richardson
Edna Riley
Gwendolyn Riley-Roberts
Stacey Rindler
Rudolph K. Ripp
Iraida Rivera
Gilbert Rodriguez
John F Rohde
Allan H Rose
John Rose
Lewis Rosenblatt
Norman Roth
Lloyd Rotker
Miriam Rubman
Ed Ruettiger
Geoffrey Ryan
Joyce Saffir
Claire Samuel
Cheryl Samuels
Ana Sanchez
Flora Santana
Anahid Sarkissian
Therese Sbano
Michael Schady
David Schapiro
Minna Scharff

Elaine Schirmer
Adele Schlapik
Larry Schonfeld
Ina Schwartz
Linda Schwartz
Peter Schweitzer
Thomas Seelye
Tarlochan S Sehmi
Anita Shleifstein
Hedvah Shuchman
Elaine Silver
Dorothy Siminski
Ina Sinclair
Milton Sirota
Diane R. Sisenwein
Othello Skeete
Dorothy Skelin
Robert Sklar
Edward Smith
Saundra Smith
Sharon S Snell
Gaye Snyder-Inkeles
Harry Solomon
Stewart Solomon
George Spears
Michael Spector
Stanley Spector
Christine Spe ncer
Joseph Sperling
Charlotte Spiegel
Nikki B. Springer
Louis C. Starkey
Roschel Holland Stearns
Fred Steinberg
Betty Stewart
James Stewart
Cele Stolzenberg
Jo Ann Stone
Trumilla Stone
James Story
Phyllis Stothers
Sallie Stroman
Chun-Hwai Su
Frances Suddreth-Hart
Margaret Suite
Mortimer Sullivan
Thomas V. Tallarico
Tuly Tanenbaum
Natalie Tannenbaum
Hattie Thomas
Barbara Thompson
Willie Mae Timothy
Joel Tolchinsky
John M. Toman
Lorraine Toto
Luzviminda A Tuazon
Elaine Turkel
Roberta Van Laven
Michael J. Vincent
Ana T. Vives
Florence Wagener
Vida Wagner
Perry Walker
Michael Walsh
Richard W. Walters
Joseph Warfield
Herbert Wasserman
Jacquelyn Watson
Donald Weinberg
Rose Weiss-Fischler
Erich Werner
Shirley Wertheimer
Alyce White
Grace White
Lois White
Margaret Williams
Isza Williams-Darlington
Aaron Wilner
Kay A.. Wilson
Antoinette Witherspoon
Eric Wolferman
Bassanio Wong
Peter Wood
Geraldine A. Wooden
Noel Worrell
Benjamin Jr. Wright
Simeon Wright
Naomi Wurzburger
Alice Yap
Anita King Yurman
Margie Zinzi
Phyllis Zito