

Economy fix doesn't involve cutting social safety net

Joe Ferullo | Oct. 24, 2011 NCR Today

You have a family to feed, kids to educate and older parents to look after. The government isn't giving you any help. Voices scream that Social Security is unreliable, Medicare won't be there much longer and the schools are laying teachers off.

So what do you? You cut back, you hold on -- you don't spend. And because of that, things get worse.

That's the very real picture painted in [the *Los Angeles Times* by columnist Scott Martelle](#) [1]. It's Exhibit One in the case for the social safety net and against the shrill attacks against any government anywhere at all.

Martelle lost his job at the *Times* in 2008, and describes his life since then: a series of freelance writing jobs, authorship of history books, etc., enough to keep life going, but that's it. His pension from his years at the *Times* is shaky, as is his wife's from her decades of teaching. Their 401(k) hasn't been contributed to in years and will take years more to regain most of its lost value.

They maintain the vestiges of middle-class life by doing without: They don't go anywhere, they spend very little and pour what they have into low-interest savings accounts that are at least safe. But, Martelle says, he faces a conundrum: It feels morally good to have little debt and to save more than he ever has. But he also knows that his behavior -- multiplied by millions upon millions of Americans -- is what will keep economic hard times dragging on.

What Martelle has hit upon is the argument few make in favor of government: Those programs that now should be slashed and burned as wasteful actually helped create America's middle class. Yes, we are hard-working people; yes, we are creative entrepreneurs. But the social safety net allowed that hard work and creativity to flourish. We didn't need to save every dime for old age: We had Social Security. We didn't need to hoard money for the day our elderly parents fell seriously ill: We had Medicare. In many states, we didn't need to sock away decades of earnings for high-end private colleges: Distinguished state schools gave our kids a leg up, no matter our family income.

Now, that's all in question. The entire social contract that freed the middle class to create and take chances and, yes, spend, is on the chopping block. So we all cut back. We hoard and we hold on until we know just what's happening ... and that makes the situation worse.

Here's the bigger problem: The people holding an axe over the safety net have bought into a certain American mythology that argues we are all lone rangers, all independent souls with no need for any help from anyone. The stuff of Westerns and comic book heroes, for sure, but not the stuff upon which to build a society.

Massachusetts Senate candidate Elizabeth Warren touched on this when she [said in a speech last month](#) [2] that "there is nobody in this country who got rich on his own."

Everyone, she said, has benefited from the social contract, from a functioning government. Her simple common-

sense statement sparked a firestorm of approval on the left and harrumphs from the right. Because it had been so long since anyone dare speak that particular truth.

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Links:

[1] <http://www.latimes.com/news/opinion/commentary/la-oe-martelle-postcard-from-the-recession-20111023,0,1403377.story>

[2] <http://www.theblaze.com/stories/elizabeth-warren-on-class-warfare-there-is-nobody-in-this-country-who-got-rich-on-his-own>