

Social Security

Frances Perkins



OVERVIEW

The Great Depression brought home to many Americans the need for some form of economic security. President Franklin D. Roosevelt appointed a Committee on Economic Security in 1934, and its recommendations resulted in the country's first Social Security Act. Following its passage, Frances Perkins, secretary of labor, spoke about it. Portions of her 1935 speech appear here.

GUIDED READING As you read, consider the following questions:

- Why was the Social Security Act created?
 - Why did Perkins believe that social security was important to national welfare?
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People who work for a living in the United States of America can join with all other good citizens on this forty-eighth anniversary of Labor Day in satisfaction that the Congress has passed the Social Security Act. This act establishes unemployment insurance as a substitute for haphazard methods of assistance in periods when men and women willing and able to work are without jobs. It provides for old age pensions which mark great progress over the measures upon which we have hitherto depended in caring for those who have been unable to provide for the years when they no longer can work. It also provides security for dependent and crippled children, mothers, the indigent disabled and the blind.

Old people who are in need, unemployables, children, mothers and the sightless, will find systematic regular provisions for needs. The Act limits the Federal aid to not more than \$15 per month for the individual, provided the State in which he resides appropriates a like amount. There is nothing to prevent a State from contributing more than \$15 per month in special cases and there is no requirement to allow as much as \$15 from either State or Federal funds when a particular case has some personal provision and needs less than the total allowed.

Following essentially the same procedure, the Act as passed provides for Federal assistance to the States in caring for the blind, a contribution by the State of up to \$15 a month to be matched in turn by a like contribution by the Federal Government. The Act also contains provision for assistance to the States in providing payments to dependent children under sixteen years of age. There also is provision in the Act for cooperation with medical and health organizations charged with rehabilitation of physically handicapped children. The necessity for adequate service in the fields of public and maternal health

and child welfare calls for the extension of these services to meet individual community needs.

Consider for a moment those portions of the Act which, while they will not be effective this present year, yet will exert a profound and far-reaching effect upon millions of citizens. I refer to the provision for a system of old-age benefits supported by the contributions of employer and employees, and to the section which sets up the initial machinery for unemployment insurance.

Old-age benefits in the form of monthly payments are to be paid to individuals who have worked and contributed to the insurance fund in direct proportion to the total wages earned by such individuals in the course of their employment subsequent to 1936. The minimum monthly payment is to be \$10, the maximum \$85. These payments will begin in the year 1942 and will be to those who have worked and contributed. . . .

The social security measure looks primarily to the future and is only a part of the administration's plan to promote sound and stable economic life. We cannot think of it as disassociated from the Government's program to save the homes, the farms, the businesses and banks of the Nation, and especially must we consider it a companion measure to the Works Relief Act which does undertake to provide immediate increase in employment and corresponding stimulation to private industry by purchase of supplies.

While it is not anticipated as a complete remedy for the abnormal conditions confronting us at the present time, it is designed to afford protection for the individual against future major economic vicissitudes. It is a sound and reasonable plan and framed with due regard for the present state of economic recovery. It does not represent a complete solution of the problems of economic security, but it does represent a substantial, necessary beginning. It has been developed after careful and intelligent consideration of all the facts and all of the programs that have been suggested or applied anywhere.

This is truly legislation in the interest of the national welfare. We must recognize that if we are to maintain a healthy economy and thriving production, we need to maintain the standard of living of the lower income groups of our population who constitute ninety per cent of our purchasing power. The President's Committee on Economic Security, of which I had the honor to be chairman, in drawing up the plan, was convinced that its enactment into law would not only carry us a long way toward the goal of economic security for the individual, but also a long way toward the promotion and stabilization of mass purchasing power without which the present economic system cannot endure.

Our social security program will be a vital force working against the recurrence of severe depressions in the future. We can, as the principle of sustained purchasing power in hard times makes itself felt in every shop, store and mill, grow old without being haunted by the spectre of a poverty-ridden old age or of being a burden on our children. . . .

The passage of this act with so few dissenting votes and with so much intelligent public support is deeply significant of the progress which the American people have made in thought in the social field and awareness of methods of using cooperation through government to overcome social hazards against which the individual alone is inadequate.