

“OUR PLAIN DUTY”



FDR AND AMERICA'S
SOCIAL SECURITY



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*Franklin D. Roosevelt Presidential Library and Museum
Hyde Park, New York*

FOREWORD

The year 1935 was the apex of the New Deal. On August 14, President Roosevelt signed the Social Security Act, the monumental legislation that forever changed the relationship between the federal government and the American people.

The Committee on Economic Security, headed by Secretary of Labor Frances Perkins, presented its report to the President on January 15, 1935. Two days later FDR transmitted its recommendations to Congress. For seven months legislators and interest groups struggled to find the right mix of benefits, funding, and coverage that would secure passage of the legislation that FDR called “our plain duty” to the elderly, infirm, and widowed mothers with children. Unfortunately, in the course of the debate, large blocs of workers—including farm and domestic workers—were excluded. Many of them were minorities. But Social Security as it was enacted was an important beginning and in subsequent years Congress enacted legislation to enroll virtually all workers. With the passage of Medicare and Medicaid under President Lyndon Johnson, the nation took the first steps on the long road to national medical coverage, which was originally envisioned by the Committee on Economic Security. Fittingly, seventy-five years later, with the Affordable Care Act of 2010, Congress has passed national medical insurance for all Americans.

Other measures from 1935—the National Labor Relations Act, also known as the Wagner Act (July 5), the Rural Electrification Administration (executive order, May 11), and the Works Progress Administration (executive order, April 8) with its vast

building programs and support of the arts and cultural history, redefined the peoples’ relationship to their government. Workers gained the right to collective bargaining, farmers at long last enjoyed the blessings of electricity, and all Americans benefited from the flourishing of human labor that gave us 650,000 miles of roads, 78,000 bridges, 125,000 new buildings, 800 airports, 475,000 works of art, 276 books and concerts and plays that were performed for many millions.

It is with all these New Deal landmarks in mind that we salute the most enduring of them all in offering *‘Our Plain Duty’: FDR and America’s Social Security*.

This exhibition was curated by Herman Eberhardt and designed by Jim Sauter, both on the staff of the Franklin D. Roosevelt Presidential Library and Museum. Robert Clark and the archives staff provided their expertise, while Lynn Bassanese, Cliff Laube, Jeffrey Urbin and our dedicated corps of docents are working hard to carry the story of Social Security to students, museum visitors, and the general public.

I am grateful to Commissioner Michael J. Astrue and the Social Security Administration for its partnership in creating this exhibition and to the Roosevelt Institute for its generous sponsorship, and to the Grand Aerie Fraternal Order of Eagles for its generous support of this publication and other costs.



Cynthia M. Koch
Director
Franklin D. Roosevelt Presidential Library and Museum

INTRODUCTION

“If, as our Constitution tells us, our Federal Government was established . . . ‘to promote the general welfare,’ it is our plain duty to provide for that security upon which welfare depends.”

Franklin Roosevelt
Message to Congress
June 8, 1934

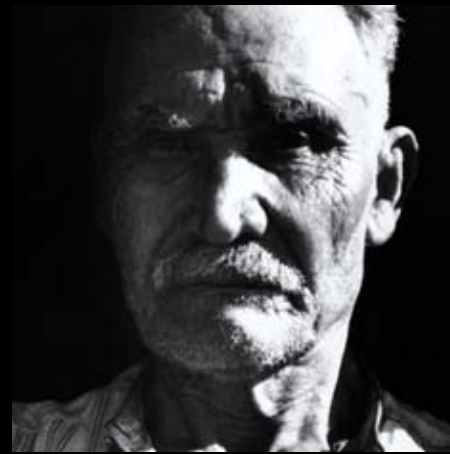
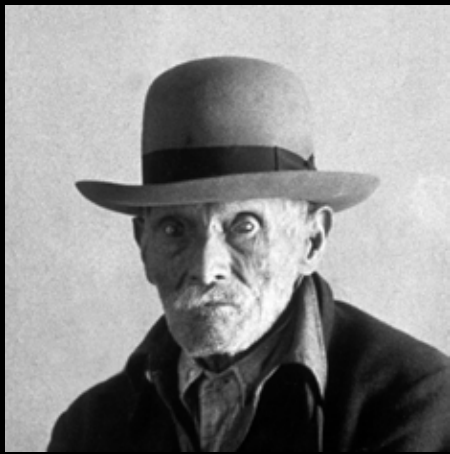
It is America’s biggest social program, providing benefits to over 52 million people. It is one of the largest single items in the federal budget, representing over 20 percent of all spending. And, this year, as we mark its 75th anniversary, its future commands national attention. It is Social Security.

The crown jewel of the New Deal, Social Security is FDR’s greatest legacy to the nation. Roosevelt called it “our plain duty”—a basic obligation Americans owe to one another. “He always regarded the Social Security Act as the cornerstone of his administration,” Secretary of Labor Frances Perkins recalled, “and . . . took greater satisfaction from it than from anything else he achieved on the domestic front.”

On this historic anniversary, the Roosevelt Library, in collaboration with the Social Security Administration, presents this exhibition exploring the history and legacy of Social Security.



FDR signs the Social Security Act, August 14, 1935.
Library of Congress



AMERICA BEFORE SOCIAL SECURITY

Seventy-five years ago the elderly, the unemployed, and the infirm lived lives shadowed by insecurity.

Almost half of America's senior citizens could not support themselves. Millions lived in poverty. Most had no access to private pension plans and the limited state-run programs that existed had paltry benefits and stringent age and residence requirements. Most older Americans worked until they dropped or were fired, sought help from family or charities, and tapped whatever savings they had. But in the depths of the Great Depression, jobs and family assistance became harder and harder to

secure. And, the life savings of millions disappeared when thousands of banks collapsed.

The unemployed also lived on the razor's edge. In 1933, one in four workers was out of work. With no federal safety net of unemployment benefits, a layoff notice could swiftly lead to poverty. A sudden illness or accident or the death of a breadwinner could bring disaster just as quickly.

Photographs: Library of Congress, Franklin D. Roosevelt Presidential Library and Museum, Social Security Administration History Museum and Archives

VOICES FOR CHANGE

When the Great Depression struck, there was no federal social safety net for the elderly and the unemployed. State and local government provided little aid. Family resources and charities were stretched to the breaking point. Older jobseekers struggled with the added burden of age discrimination.

As the crisis deepened, populist movements sprang up, demanding government action to ensure economic security. Louisiana Senator Huey Long championed his popular “Share Our Wealth” program, promising steep taxes on the rich to fund pensions and a guaranteed annual minimum income of \$2500 (\$40,000 in 2010 dollars) for everyone. In California, an unemployed 66-year-old doctor named Francis Townsend devised the Townsend Old Age Revolving Pension Plan. He proposed that the federal government provide a \$200 a month pension (around \$3300 in 2010 dollars) to every person age 60 or older. The pensions would be funded by a national sales tax. Pensioners had to spend their monthly checks within 30 days. Townsend argued this would revive the economy by stimulating consumer spending. Critics said it would simply transfer purchasing power from the young to the old, while doubling the national tax burden. Still his movement spread like wildfire. By 1935, thousands of Townsend Clubs boasted over two million members.

Clockwise from upper right: Dr. Francis Townsend addresses a rally.

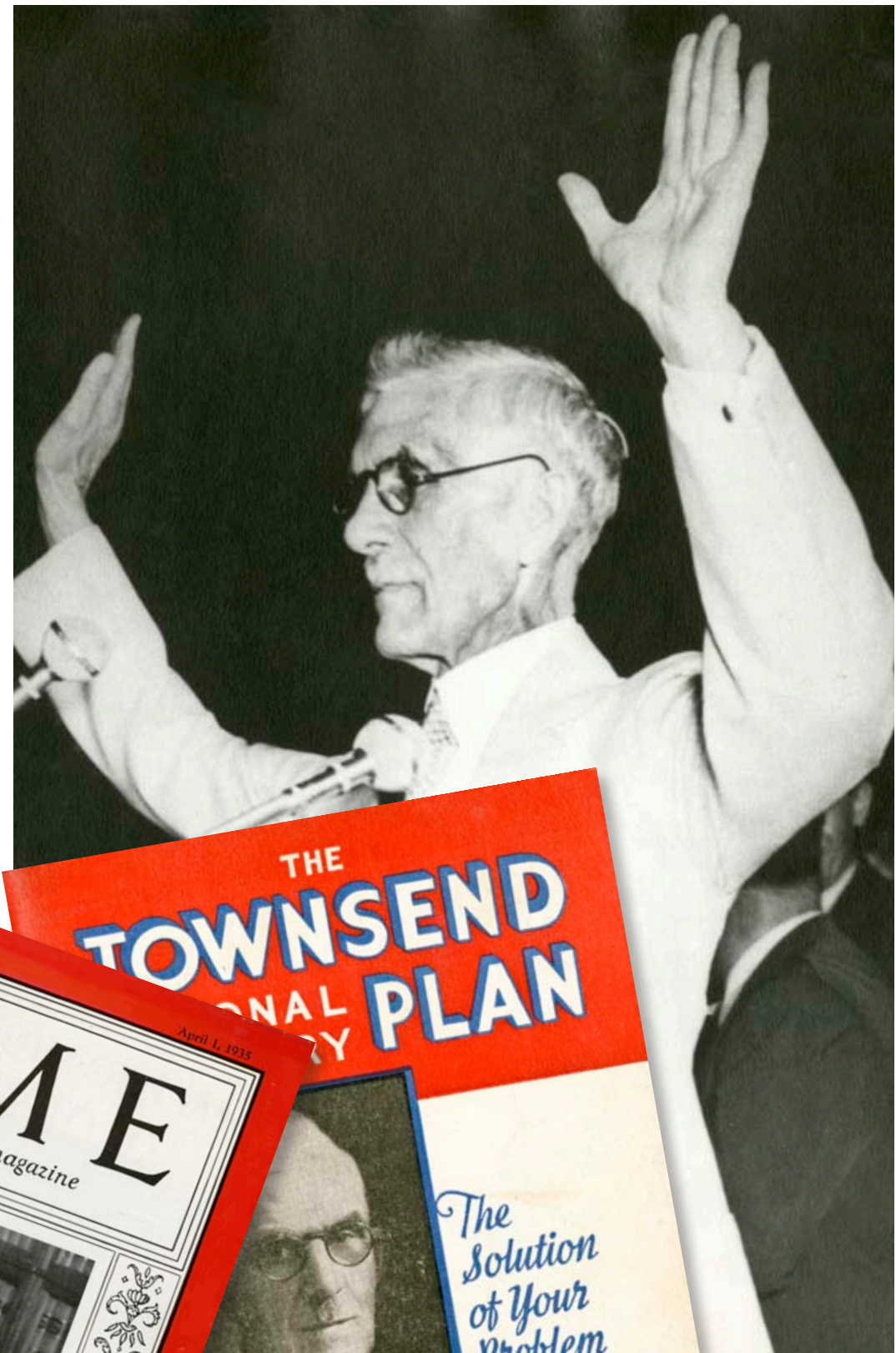
Social Security Administration History Museum and Archives

Townsend Plan pamphlet.

Social Security Administration History Museum and Archives

Time magazine featured Louisiana Senator Huey Long on the cover its April 1, 1935 issue.

Social Security Administration History Museum and Archives





FDR ACTS

Franklin Roosevelt was the first sitting president to support government-sponsored old age, unemployment, and health insurance. FDR wanted to enact a national program to address the broad problem of economic insecurity. But he recognized he would face political, economic, and constitutional challenges. Taking office at the lowest point of the Great Depression, the new President chose to delay tackling long-term economic security as he focused on battling the immediate crises of hunger and joblessness.

While Roosevelt delayed, he was pushed to act by his Secretary of Labor Frances Perkins. The first woman to serve in a presidential cabinet, Perkins was deeply committed to creating a permanent social safety net for Americans.

President Roosevelt at work in the Oval Office, February 1935.
Franklin D. Roosevelt Presidential Library and Museum

FDR also faced pressure from the fast-growing national movement for old age pensions founded in 1933 by Dr. Francis Townsend. Millions of Americans signed petitions supporting Townsend's pension plan.

On June 29, 1934, FDR acted. He issued an executive order creating a cabinet level Committee on Economic Security to prepare legislation for Congress. Its chair was Frances Perkins.

Secretary of Labor Frances Perkins.
Franklin D. Roosevelt Presidential Library and Museum



THE BILL GOES TO CONGRESS

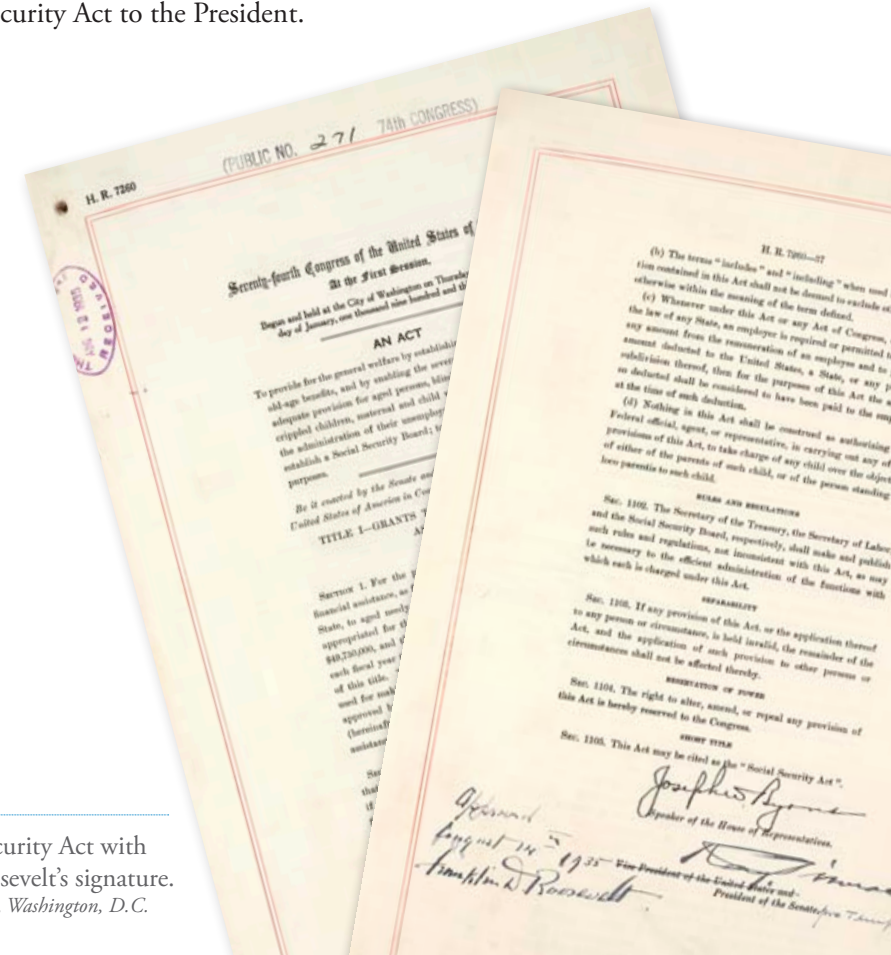
On January 15, 1935 the Committee on Economic Security presented its final report to President Roosevelt. Two days later, FDR unveiled the Social Security program and sent it to Congress.

Though Democrats had a nearly three to one majority in the House and Senate, Congressional passage was not swift or easy. At key points the bill threatened to become unraveled or postponed. Congress made significant changes. Most importantly, it scaled back coverage, dropping many large labor categories, including farm and domestic workers. Though others in the administration objected, Treasury Secretary Henry Morgenthau had told Congress it would be difficult to collect payroll taxes from such workers.

FDR discusses Social Security during a nationally-broadcast Fireside Chat, April 28, 1935.
Franklin D. Roosevelt Presidential Library and Museum

In the House many were indifferent to a program that promised payroll taxes in the short-term and only limited benefits until 1942. Some favored more radical proposals like the Townsend Plan. A March 30, 1935 *New York Times* headline noted “Hopes Are Fading For Security Bill.”

In April, FDR took action. He called House leaders to the White House and urged them to pass the Act as a matter of loyalty to him. On April 19 the House approved the bill 372-33, with strong bipartisan support. In late April, the President touted Social Security during a Fireside Chat to the nation. In the Senate, the bill’s supporters fought an effort to let businesses with pension plans opt out of Social Security. On June 19, a bi-partisan majority in the Senate passed the measure 77-6. A Senate-House committee worked out differences between the two versions of the bill and, in early August, Congress sent the Social Security Act to the President.



The Social Security Act with
 President Roosevelt’s signature.
National Archives, Washington, D.C.

ENACTING SOCIAL SECURITY

On August 14, 1935 legislators and advisors crowded into the White House Cabinet Room to witness the signing of the Social Security Act. News photographers and film crews recorded the moment for history as FDR put his signature on the bill. Standing directly behind the President was the person most responsible for it—Secretary of Labor Frances Perkins. After signing the Act, the President read a short statement. “We can never insure one hundred percent of the population against one hundred percent of the hazards and vicissitudes of life,” he observed. “But we have tried to frame a law which will give some measure of protection to the average citizen and to his family against the loss of a job and against poverty-ridden old age.” The headline in that day’s *Washington Post* read “New Deal’s Most Important Act.” Few today would disagree.



Ida May Fuller of Ludlow, Vermont was the first person to receive an old-age monthly benefit check.
Social Security Administration History Museum and Archives



Early Social Security card, ca. late 1930's.
MO. 2010.6.2 Franklin D. Roosevelt Presidential Library and Museum

FDR signs the Social Security Act in the White House Cabinet Room, August 14, 1935.
Library of Congress

EXCLUDED AMERICANS

Social Security instantly became America's biggest social program. Yet, ironically, a program now deemed by some to be too large to keep its promises was criticized in 1935 for being too small.

Initial Social Security benefits were much lower than today and the program covered only 60 percent of workers. Vast groups—most significantly millions of farm and domestic workers—were excluded. Because Hispanics and African Americans filled a large percentage of these jobs, they were disproportionately affected. The system also reflected traditional views of family life. Many jobs categories dominated by women were not covered. Women generally qualified for insurance through their husbands or children.

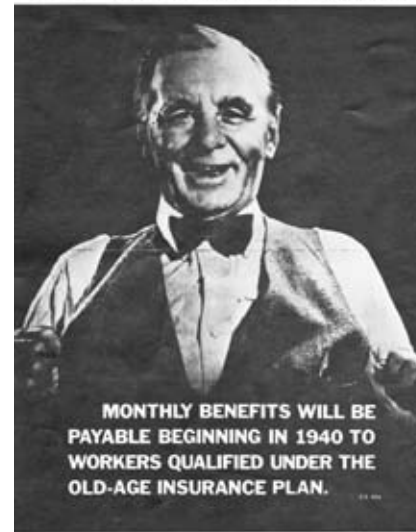


"Today many of our citizens are still excluded from old-age insurance and unemployment compensation because of the nature of their employment. This must be set aright; and it will be."

Franklin Roosevelt, August 15, 1938

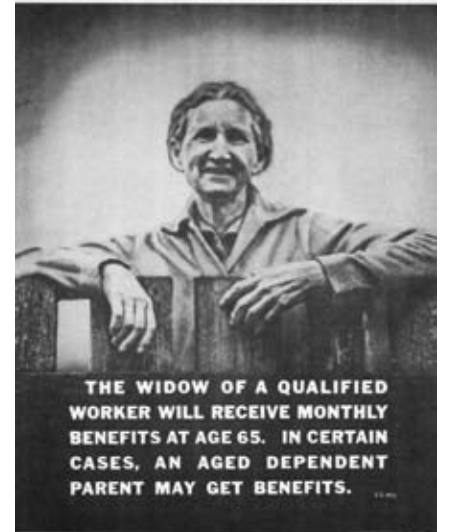
Farm workers like these cotton sharecroppers photographed by Dorothea Lange in 1937 were excluded from the original Social Security Act.
Library of Congress

MORE SECURITY FOR THE AMERICAN FAMILY



FOR INFORMATION WRITE OR CALL AT THE NEAREST FIELD OFFICE OF THE
SOCIAL SECURITY BOARD

MORE SECURITY FOR THE AMERICAN FAMILY



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FDR soon pushed to expand Social Security. The program's history is one of steady growth in beneficiaries and benefits. Today, virtually all Americans are covered.

Expansion has been accompanied by changes in the way Social Security is funded. Those changes and larger demographic forces have made Social Security's fiscal future the subject of heated debate.

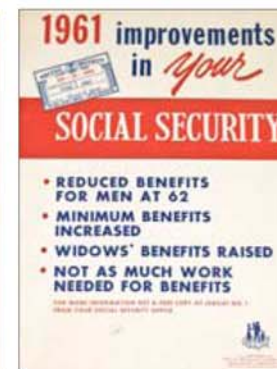
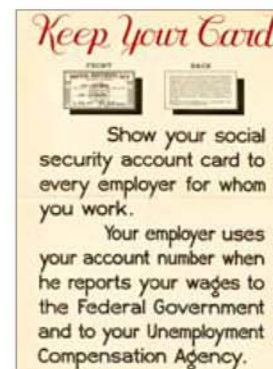
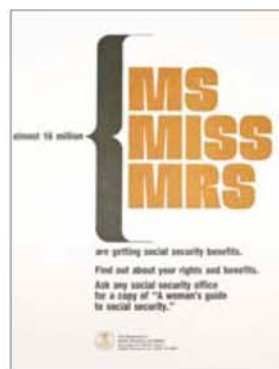
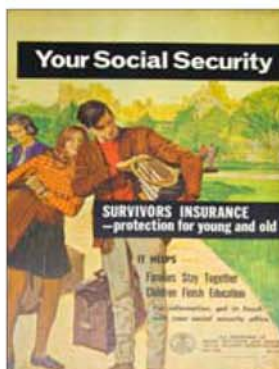
Posters promoted expanded benefits enacted in 1939.
Social Security Administration History Museum and Archives

PRESERVING SOCIAL SECURITY

Seventy-five years after its creation, Social Security is widely popular. But it is also controversial. In recent years, its long-term financial viability has been debated, with critics echoing complaints first raised during the 1930s. Social Security's defenders criticize Congress's use of money from the Social Security Trust Funds for other purposes and argue that the system's solvency can be assured with shared economic sacrifice.

Stark demographic and fiscal trends demand the nation's attention. Without action, the Social Security Trust Funds will be empty in 2037. At that point, Social Security will continue. But it will be supported largely through payroll taxes—without the benefit of the Trust Funds—and income will be sufficient to pay only about 78% of promised future benefits. Ultimately, the question today is the same one the nation has faced since 1935. Is Social Security still “our plain duty”?

Note: The Social Security Trust Funds date that appears above is based on an estimate made by the Social Security Administration in 2010. This estimate is revised every year.



Social Security posters spanning five decades.
Social Security Administration History Museum and Archives



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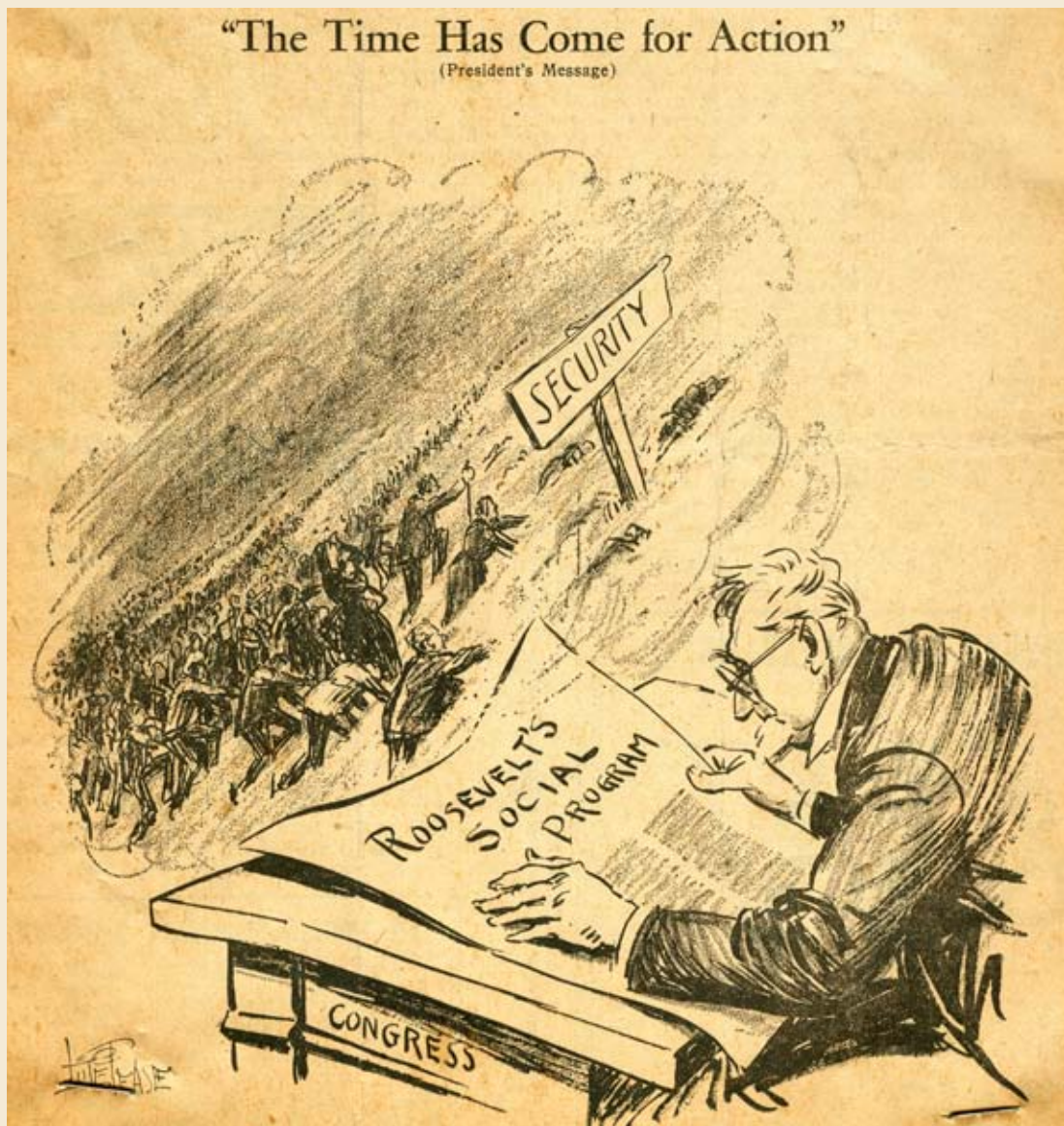
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Sponsored by the Roosevelt Institute in partnership with the Social Security Administration, Michael J. Astrue, Commissioner.

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"The Time Has Come for Action"
(President's Message)



Newark (NJ) News, January 18, 1935
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