

Building Blocks of Health Reform: The Social Security Example

To those who say the newly enacted health reform legislation does too little or is too incremental to solve all of the problems with the health care system, we say, “Social Security.”

Social Security is arguably the largest social program ever enacted in the United States. It is certainly the biggest and most effective anti-poverty program: Nearly half of all seniors would fall below the federal poverty level were it not for Social Security. In particular, many seniors of color rely on Social Security for a substantial share of their income.

But Social Security didn’t start out as a comprehensive program. When it was signed into law in 1935, Social Security was a skeleton of the program we know today:

- ◆ People were required to pay into the program beginning in 1937, but monthly benefits weren’t scheduled to begin until 1942.
- ◆ Only workers were covered, not their spouses or children.
- ◆ Agricultural and domestic workers were excluded, so most workers of color were not eligible.
- ◆ **Social Security’s Development**
 - ◆ In 1939, Congress amended the Social Security Act to extend coverage to workers’ spouses and children and to add survivor benefits. They also increased the level of benefits and sped up the date when monthly payments would begin to 1940.
 - ◆ In 1950, benefits were raised for the first time, and Congress scheduled another increase for 1952. These two increases doubled the value of Social Security payments. The 1950 amendments also made domestic workers eligible for coverage starting in 1951.
 - ◆ In 1954, agricultural workers, along with hotel workers and laundry workers, were made eligible.
 - ◆ In 1956, the law was expanded to include older workers with disabilities (aged 50 to 64) and disabled adult children.

- ◆ In 1960, the disability benefits were further expanded to cover disabled workers of any age and their dependents.
- ◆ In 1972, Congress passed legislation that, beginning in 1975, provided for automatic cost-of-living allowances (the famous “COLA”) based on increases in consumer prices.

The tiny program that was enacted in 1935 became a foundation. On that foundation, Congress added floors and rooms until they had the program we know today, the program so many Americans depend on.

Part of a series of fact sheets, issue briefs, and special reports designed to help the public understand the new health reform law.



1201 New York Avenue NW, Suite 1100 ■ Washington, DC 20005

Phone: 202-628-3030 ■ E-mail: info@familiesusa.org

www.familiesusa.org