

OPINION

Deficits, Deceit, and the Body Politic

Protecting the most vulnerable

BY NORMAN AND VELMA HILL

Social Security, Medicare, and Medicaid are the foundations for the wellbeing of scores of millions of middle- and low-income Americans.

Without Social Security, 14 million more low-income Americans would be living in poverty. Because of Medicare, 33 million older people live longer, have access to quality care, and are not driven into poverty by rapidly rising health-care costs. Medicaid is a health-care lifeline to Americans not yet eligible for Medicare, which covers some 60 million Americans.

Because of historical and lingering discrimination, racial minorities in particular need these programs. Overall, they have less income and fewer assets than whites, so a higher percentage of their retirement income comes from Social Security benefits. Also, because they more often have physically demanding jobs, they rely more on Social Security disability and require more health care after retirement.

If there were no such support from these programs, the proportion of impoverished, elderly African-Americans would rise to 62 percent from 24 percent, and for Hispanics, 61 percent from 19 percent.

The disproportionate dependence on these programs has grown as the wealth gap (income and assets) between whites and minorities has grown. From 2005 to 2009 wealth fell by 66 percent among Latino house-

holds, 53 percent among black households, and 54 percent among Asians, compared to 16 percent among whites.

We know this statistically and experientially. We are black and have spent most of our lives in the American civil rights and labor movements.

A 2010 survey found that 86 percent of whites and 92 percent of blacks believe Social Security benefits are worth the cost. A recent poll revealed that, by a 51 percent to 33 percent margin, Americans think that preserving Medicare as is outweighs reducing the deficit. A new survey found that only 13 percent of Americans favor major changes to

In this period of economic downturn, deficit spending is actually a stimulant that the economy needs. The "debt crisis" isn't fiscal; it's a political mirage, a smokescreen used by right-wingers to justify cuts in social insurance.

Medicaid.

Republicans have ginned up a lot of concern about a so-called fiscal crisis. Since the emergence in 2010 of "tea party" organizations, their condemnations of budget deficits have become almost hysterical. But there is no fiscal crisis. Right's right: No. Fiscal Crisis.

In this period of economic downturn, deficit spending is actually a stimulant that the economy needs. The "debt crisis" isn't fiscal; it's a political mirage, a smokescreen used by right-wingers to justify cuts in social insurance.

Minorities should take the lead in oppos-

ing those cuts, particularly through their social organizations, trade unions, and their ethnic-based groups. Their greatest allies are the facts.

Social Security does not contribute to the deficit. Its payouts come from Social Security tax revenues and interest from safe, conservative investments. Furthermore, even if nothing is done, Social Security can continue meeting 100 percent of its obligations until 2036. Solvency could be extended decades further by modest reforms like raising the cap on taxable income for Social Security from its current \$110,100 and by gradually increasing the Social Security payroll tax by

1/20 of one percent (0.05) over 20 years. The eligibility age increases and benefit cuts proposed by Republicans are totally unnecessary.

Medicare, it is true, faces more serious challenges. But it is not going bankrupt, and prudent reforms -- not radical changes -- can extend its fiscal health well into the future. Republicans say that increased life expectancy and the surge in retiring baby boomers make benefit cuts and increases in age eligibility a no brainer. On the contrary, the main cause of increased Medicare costs is soaring health care inflation, which can be contained.

President Obama's Affordable Health Care

Act promotes preventive care by providing free screenings for early disease detection and by offering community-based prevention grants. It also promotes a policy of payment for results rather than by the numbers of procedures performed. Additionally, its Independent Payment Advisory Board will help detect potential cost savings. Significant cost reductions could also be made if Medicare were allowed to bargain with pharmaceutical companies over drug prices.

Despite overwhelming public opposition to social program cuts, and despite the Democratic victory in November, Republicans continue to press their attack, now using the "fiscal cliff" to attach social spending. The cliff, as you know, refers to legislatively mandated tax hikes and spending cuts of a drastic nature that will take effect after Dec. 31 unless Congress acts to cut the deficit. According to some (but not all) economists, the automatic hikes and cuts will lead to a new recession.

Whatever compromises must be made, the President must draw a red line against reduced benefits in basic entitlements. He must stick to his campaign pledge to let the Bush tax cuts for the wealthy expire and to find ways to cut expenditures that do not hurt the most vulnerable.

The President must stand by his November mandate, and we must do all we can to assure that he will.

Norman Hill, staff coordinator of the historic 1963 March on Washington for Jobs and Freedom, is president emeritus of the A. Philip Randolph Institute. Velma Hill is a former vice president of the American Federation of Teachers.

Opportunity One Industry at a Time

Overcoming economic inequality

BY BENJAMIN TODD JEALOUS

There is a missing component to the national discussion concerning how to strengthen and rebuild the American economy.

It is true that high unemployment, a weak national infrastructure, the need for stronger public education, the concentration of wealth, and the deficit are all challenges to the nation's economy. But being left out of the discussion is the continued economic marginalization of racial and ethnic minorities.

The American economy has always been strongest when it's kept the middle class within reach for most Americans. But with white households holding nearly 20 times the wealth of black or Latino households, and with rising disparities in unemployment, poverty, and income, the future of the middle class has never looked more uncertain.



As the country rapidly becomes majority-minority, the nation's economic well-being is increasingly tied to overcoming racial economic inequality.

The economic challenges that people of color face are reflected in the recently released NAACP Opportunity and Diversity Report Card which analyzes the hotel and lodging industry.

Mediocre grades among the five leading hotels we examined — Hyatt, Starwood, Wyndham, Marriott and Hilton — reveal the widespread lack of investment in minority suppliers, the overrepresentation of people of color in the lowest paying entry level positions, the underrepresentation in the more highly paid career-track positions, and finally a lack of commitment to collecting basic diversity data that could be used to strengthen inclusion efforts.

Our report shows that black-owned businesses, which comprise seven percent of all businesses in the U.S., make up only 0.9 percent of all vendors receipts — a troubling red flag that signals how far corporate America has to go in their supplier diversity

outreach. And while people of color are 36 percent of the population, only 13 percent of the governing bodies in the hotel and lodging industry consist of people of color.

One of the most disconcerting findings of our report card is that all of the top five hotel and lodging corporations do not collect diversity data from their franchise properties. This means for four out of five of these leading corporations no data is collected for the majority of their individual hotels. This is unacceptable.

The NAACP is calling for these corporations to collect the diversity data already mandated by the government through EEO1 reports. We are also asking for planners of major events to request EEO1 reports from any individual hotel they are considering for their event so they can make diversity and inclusion part of their assessment as to which hotel is worthy of their business.

The National Coalition of Black Meeting Planners has already voiced support for this action and we will be working with our community and civil rights partners as well as local bureaus of tourism to make widespread

the use of EEO1 data as an important and widely used factor for determining which hotels qualify to hold major events.

The EEO1 survey is a primary means that the Equal Employment Opportunity Commission uses to advance its mission derived from the 1964 Civil Rights Act. Title VII of the 1964 Civil Rights Act focused on prohibiting racial discrimination in employment and almost 60 years later we still find great racial and ethnic disparities in business and its workforce.

The Opportunity and Diversity Report Card and our call to action for greater use of EEO1 data should not be seen as just a "civil rights" matter but should be understood as a means of dealing with one of the greatest threats facing the American economy over the next 30 years, racial economic inequality.

We at the NAACP have always seen racial inequality as a grave threat to the country and in the next few decades if serious action isn't taken to bridge this divide the entire nation will see the economic results of this inequality.

Benjamin Todd Jealous is president and chief executive officer of the NAACP.