

# Commentary

THE BUFFIN FOUNDATION

SOCIAL AND ECONOMIC DEVELOPMENT ISSUES

## Social Insurance Issues for the 2017 Washington Leadership

The National Academy of Social Insurance (NASI) has published a timely report with the title "Report to the New Leadership and the American People on Social Insurance and Inequality". NASI is a nonprofit, nonpartisan organization made up of the nation's leading experts on social insurance. Its mission is to advance solutions to social and economic challenges facing the nation by increasing public understanding of how social insurance contributes to economic security. Social insurance encompasses broad-based systems that help workers and their families pool risks to avoid loss of income due to retirement, death, disability, or unemployment, and provide access to health care. The Academy convenes steering committees and study panels that are charged with conducting research, issuing findings, and identifying policy option recommendations based on their analyses. Members of these groups are selected for their recognized expertise and with due consideration for the balance of disciplines and perspectives appropriate to each project.

NASI has undertaken a valuable public service with its strategic initiative in providing this comprehensive 233-page report covering a broad range of social and economic policy issues. The report is specifically targeted at the new Administration and Congress in Washington as well as providing information for the general public. The NASI report comprises two parts. The first part discusses strengthening workers' risk protections, including social security, health insurance, and unemployment insurance. In a series of focused analyses of policy challenges facing these programs, the report develops a range of evidence-based policy options upon which policymakers could draw. The second part addresses issues relating to modernizing workers' social insurance protections, including long-term services and supports, caregiving, and nonstandard work. The report discusses poten-

tial new directions for social insurance taking into account changes in society in recent decades, including longer life spans, increased demands on families and caregivers, as well as changes in the structure of working conditions.

One of the policy challenges facing the Social Security system is that of enhancing its sustainability by increasing its projected level of solvency extending beyond the next twenty years. Economic inequality and disparities in income and opportunity have produced significant gaps in the availability of adequate resources in retirement for many Americans. In particular, women still experience challenges in achieving sustainable retirement security, despite decades of gradual economic progress. Another area for potential improvement is that of providing essential protections against disability, including addressing specific urgent issues regarding the need to strengthen the finances of the Social Security Disability Insurance program.

The United States is considered an outlier compared to other advanced countries, spending more on health care while lagging in terms of the extent of providing health care coverage among its population, as well as generating less favorable measures of health such as life expectancy. The Affordable Care Act provided the means to protect consumers, improve the quality and extent of health care coverage for around 20 million Americans. The NASI report offers a set of options that can guide policymakers to improve coverage and lower the cost of health insurance. While health care is important in managing the health of the nation, there are also social, economic, and environmental factors that influence health and wellbeing. Medicaid is the nation's largest public insurer of low-income and medically vulnerable individuals and families. The Medicaid program, working in combination with other programs that address determinants of health, could play a major role in future efforts to improve overall

population health. It insures a greater and more sustained range of clinical services that promote health whenever the need for health care arises. Strengthening Medicaid and the efficiency with which it operates will serve to improve health conditions, lower health care costs and reduce the impact of inequality in society. In addition to Medicaid, Medicare provides critical protection to millions of older people who might otherwise be uninsured and unable to afford the costs of even the basics of health care. Medicare faces long-term financing problems arising from the aging of the population and continued growth in costs throughout the health care system; nevertheless many creative policy options are available for strengthening its finances.

Unemployment Insurance is intended to be an automatic stabilizer during periods of recession. In order to operate effectively, stronger advance funding is necessary by collecting taxes during good times so as to build reserves to pay benefits during recessions. Another area of concern that merits attention from policymakers is that workers' traditional relationships with their employers have been changing over recent decades. With traditional long-term employment conditions being replaced by part-time, temporary, and contract arrangements, workers are left without adequate protection against economic and other risks that would be provided by the stability, efficiency and adequacy available with pooled-risk social insurance systems.

[Download the full Report](#) to read the whole spectrum of policy options.

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