

**Remarks at the Center for Working Families  
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In New York State, and nationally as well, the political conversation around retirement security has mostly been a negative one, focused on the cost of pensions for public employees, which we are told is unsustainable.

Governor Cuomo campaigned on making cuts to public pensions as a way to balance the budget. In New York City, Mayor Bloomberg and Deputy Mayor Goldsmith are blaming pension costs for the city service cuts and mass public layoffs they've proposed.

The larger message is that retirement security for the people who make New York City and State work is unaffordable. And this feeds into the argument coming largely from the Right that benefits for public workers are the main cause of budget crunches in cities and states across the country. Public workers are overpaid, according to this argument, their pensions are too generous, and that's the primary reason why cities are in trouble. You can read this in the New York Post nearly any day of the week.

That story leaves out a crucial element, of course. The economic downturn decimated tax revenue in New York and every state in the country – that's the source of our budget problems. It also battered public pension funds – that's largely the source of the shortfalls.

At the same time, we know this isn't just a fiscal problem for cities and states: the downturn hit the retirement funds of the vast majority of Americans whether they work in the public or private sector. The housing market crashed and that's where most households had their biggest asset. We know it also threw a whole lot of people out of work and left those working people still on the job with tremendous economic insecurity. People need someone to blame. Public employees, and their retirement benefits, have become a convenient scapegoat.

I would argue that scapegoating public workers is particularly convenient if you want to deflect calls to hold banks accountable for the risky practices that crashed the economy. It's particularly convenient if you want the public to avoid looking at who is really prospering during these difficult times and perhaps ask **them** to contribute a bit more to the public good. Finally, for those on the Right, demonizing public workers and their pensions is a chance to attack big labor and big government at the same time: that's not just convenient, it's a bonanza.

This is the context in which we're thinking about retirement today. Ordinary, middle-class Americans are losing what retirement security they had – Professor Ghilarducci will

be sharing some powerful illustrations of this – and yet the dominant political response is not to seek constructive ways to build retirement security for everybody who works. Instead, fed by this very powerful right-wing narrative, the response is resentment against the public workers who still **have** pensions and can look forward to the dignified retirement that we all want.

But attacking public pensions does nothing to shore up the retirement security of the worker whose 401(k) is at a quarter of its value. In fact, it sets her back. I will leave you with a quote from Saru Jayaraman, founder of the Restaurant Opportunities Center. (Maybe Saru is here today) She put this very beautifully. Writing in the newspaper of CUNY's Professional Staff Congress, she notes:

“If public employees’ wages are cut, that will not give restaurant workers a raise. If benefits are slashed in the public sector, that won’t help restaurant workers get health insurance... Attacks on public sector unions will weaken, not strengthen, restaurant workers’ ability to improve their lives. If we move toward a future in which no one has, for example, a decent pension, how can restaurant workers expect to ever achieve it themselves?”

As Professor Ghilarducci will discuss, what we’re facing is not a problem with public pension plans: it’s a much larger, broad-based challenge of declining retirement security for the majority of Americans. And public pensions are actually part of the solution.

Thank you.

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