Sample Letters to the Editor

Most papers do not print letters that are more than 150 words. They are far more likely to print letters that are shorter. A letter that is 90-110 words has a much better chance of getting printed.

When writing a major paper (e.g. New York Times, Washington Post, Wall Street Journal) you are completely wasting your time when sending in a letter that is more than 150 words. They are looking for reasons to reject letters. If your letter is 160 words, then you gave them all the reason they need not to print it. You must find a way to shorten it to less than 150 words.

It is important that letters be timely. This means use e-mail, and if at all possible, send the letter on the same day the original article/editorial/column appeared or the the television or radio story aired. Occasionally they will run letters that they get two or three days later, but that is pretty much the limit. Also, once they run a letter or two in response to a particular piece, they will very rarely run additional responses.

Letters should always be polite and focus on the factual issue in dispute. This is important both for getting the letter published and also for the impact it will have on readers. Readers are not likely to care that you don’t like privatization – they might care that the news story misstated the financial condition of Social Security or the potential returns from the stock market.

It is also appropriate to send copies of the letter to the reporter who wrote the story. Many papers make reporters e-mail addresses available, but if their e-mail is not available, hard copies are fine for this purpose. It doesn’t really matter if the reporter doesn’t receive the letter for a few days. It is not necessary to write a separate note to the reporter, a simple “FYI” on a letter to the editor is fine. It is also reasonable to send copies of a letter to people (e.g. members of Congress, economists, or other policy analysts) who are quoted or cited as making inaccurate statements in a news story. For these people it is also fine to simply send a copy of a letter to the editor with “FYI.”
Key Themes

1) Social Security Solvency  -- page 5

Those seeking to privatize or cutback Social Security have been working for the last two decades to convince the public that the program is about to go bankrupt. All standard projections show that Social Security is financially solid.

The Social Security trustees projections show that the program can pay all scheduled benefits through the year 2042 with no changes whatsoever. The non-partisan Congressional Budget Office produced independent projections showing that all benefits can be paid through the year 2052. Even after these dates, both sets of projections show that Social Security will always be able to pay a higher average benefit than what current retirees receive, although less than the full scheduled benefit.

2) The Trust Fund – page 8

Social Security taxes currently exceed benefits. This is by design. The 1983 Social Security Commission, chaired by Alan Greenspan, deliberately sought to build up a surplus in Social Security revenue to help cover the costs of the baby boomers retirement. Under the law, this money is used to buy government bonds. The government is obligated to repay the bonds held by Social Security just like any other government bonds.

These bonds are not “worthless iou’s” as many opponents of Social Security have claimed. The money to repay these bonds will come from the personal and corporate income tax, which are primarily paid by high income people. Workers have already paid Social Security taxes used to buy these bonds – they have an absolute right to expect the government to honor its debts.

3) Exaggerated Stock Returns – page 10

Private accounts can be made to look very good, if you just make up numbers about how much money people will get from them. This is exactly what the privatizers do. They routinely assume that stocks will provide a much higher return than is possible, given the slow profit growth assumed by Social Security trustees, coupled with the fact that stock prices are still much higher than normal compared with corporate earnings.

Privatizers base their assumptions on stock returns on past history – when stock prices were much lower relative to corporate earnings, and the economy and profits grew much faster than the Social Security trustees and CBO project that they will grow in the future. This is important – if the economy grows as rapidly in the future as it did in the past, then the Social Security program would never face any shortfall.

Projections of stock returns that are consistent with the trustees or CBO projections show that, if the Social Security projections are correct, stocks will provide returns that are less than 5.0 percentage points above the rate of inflation, not much better than the 3.3
percentage point projected return on the government bonds currently held by the trust fund. The higher return on stocks will barely cover the administrative costs of private accounts.

While the privatizers continue to claim 6.5-7.0 percent returns for stock, not one has ever described a combination of dividend payouts and stock price increases (the two components of stock returns) that would provide this return. This simple exercise (showing the numbers) would take a competent economist only a few minutes, but privatizers want the public to invest trillions of dollars of Social Security money based only on their word.

4) The Transition--Paying for Privatization – page 12

Switching from the current Social Security system to a system of private accounts will involve a costly transition process. The problem is that the tax money currently being paid to the government will instead go into private accounts, reducing government revenue. However, benefits will only be gradually phased down over several decades.

In the near term, this diversion of revenue can add between $100 and $200 billion to the annual deficit, depending on the exact design of the program. With deficits already near record highs, it is not clear that the government will be able to borrow this amount without facing much higher interest rates. In at least one country (Argentina), the transition costs from Social Security privatization were enough to push the government into default.

5) Problems of Privatization—page 13

There are a wide range of problems that privatization would introduce to the Social Security system. The most obvious is the much higher administrative costs of a system of individual accounts. The administrative costs of privatized Social Security systems, like the ones in England and Chile, eat up between 15 and 20 percent of the money workers get from their accounts. By contrast, the administrative costs of the Social Security system are less than 0.6 percent of benefits.

Workers will also have to pay additional money to cover the costs of having their account turned into a lifelong flow of income – like Social Security. Private insurers typically charge a fee of between 15 and 20 percent of the accumulated fund to convert it into an annuity -- an annual stream of income.

Workers will also face the risk of retiring during a market slump. In this case, they will get even lower returns on their accounts, will have much less income during their retirement.
6) One-Sided Experts – page 15

News articles often present people as neutral experts who clearly have very strong biases. For example, the Concord Coalition (and its founder, Peter Peterson), which has been pushing to cut Social Security since it was established, is often presented as an unbiased source on Social Security and other budget issues. Letters can also be addressed to reporters who treat these sources as being neutral.

7) Tricks of the Privatizers – page 16

Proponents of privatization have developed a long list of tricks to try to undermine support for Social Security. Here are a few:

**Generational Equity –**
Proponents of privatization raise the prospect that our children and grandchildren may face higher tax rates than we do. While this is possible, there will also have far higher before tax income – in ALL projections – which means that they will still have much higher after tax incomes than we do today. We all want our children to do well, but if their before tax income is 30-40 percent higher than ours, will we have done them an injustice if they pay 2.0 percentage points more in Social Security tax?

**Expressing tax increases in percent terms --**
Proponents of privatization often raise the prospect of Social Security tax increases of 30 or 40 percent. This can be close to accurate (under some circumstances), but it is highly misleading. It is accurate to say that the 12.4 percent tax could be increased by 30 percent in the distant future (an increase of 3.72 percentage points in the size of the tax – 30 percent of 12.4 percentage points). It would be simple, accurate and informative to simply refer to an increase of 3.72 percentage points in the payroll tax. However, by describing the prospective tax increase as 30 or 40 percent, privatizers lead people to believe that the prospective tax increase will be 30 or 40 *percentage points*, which would indeed be a crushing burden.

**Social Security and Medicare --**
It is common for those seeking to privatize or cut Social Security to refer to the costs of “Social Security and Medicare,” implying the costs are both primarily attributable to aging. This is not true. Medicare does face huge problems if current trends continue, but this is due to increasing health care costs, not aging. By linking Social Security to Medicare, opponents of Social Security are trying to convince the public that the problems of the health care system are actually problems due to the aging of the population.
1) Social Security’s Solvency

To the Editor:

The article on Social Security in today’s paper (“Social Security Near Death,” 4-01-05;A1) wrongly gives the impression that Social Security is on the edge of bankruptcy. According to the Social Security trustees report, the program can pay all scheduled benefits through the year 2042, with no changes whatsoever. The non-partisan Congressional Budget Office projects that Social Security can pay all benefits through 2052. Even after these dates, the program would always be able to pay a higher benefit than what current retirees receive.

These projections imply that Social Security is currently in much stronger shape than in the decades from the forties through the eighties, when it was necessary to have tax increases to sustain it. There is simply no basis for the claims of looming Social Security insolvency.

Sincerely,

To the Editor:

In his column ("For Those Who Need it Most," Washington Post, 1-30-01:A17), former Senator Bob Kerrey implies that Social Security is facing a funding crisis in less than 10 years. In fact, the latest report from the Social Security trustees clearly shows that the program can pay every penny of promised benefits, with no changes whatsoever, for the next 38 years. The report also shows that, even with no changes, the program will always be able to pay a benefit that is larger, adjusted for inflation, than what current retirees receive. It is time that politicians stopped resorting to scare tactics to try to advance their agenda on this issue.

Sincerely,

To the Editor:

The Post’s report on the Bush administration’s plans ("Administration Considers Action on Social Security," 11-17-02:A5) includes the assertion that “the system … is expected to face enormous strains starting next decade as Americans live longer and the large baby boomer generations starts to retire.” This statement is contradicted by the Social Security Trustees Report.

The retirement of the baby boomers has been long anticipated. To help deal with the costs, the program has been building up a large surplus, which now totals almost $2 trillion.
According to the most recent Social Security trustees report, the program will be able to pay all benefits until the year 2043 with no changes whatsoever (table V1.E9).

Sincerely,

To the Editor:

The article on Social Security in today’s paper (“Social Security Near Death,” 4-01-05;A1) seriously misrepresents the program’s finances. According to the Social Security trustees report, the program can pay all scheduled benefits through the year 2042, with no changes whatsoever. Even after this date, the program would always be able to pay a higher benefit than what current retirees receive.

A study by the non-partisan Congressional Budget Office (CBO) showed an even brighter picture. CBO projected that Social Security can pay benefits until 2052 with no changes whatsoever.

Both sets of projections show a program that is sound long into the future and in fact is in much better shape than it has been through of its history. The real problem facing Social Security is the politicians who want to dismantle it, not its finances.

Sincerely,

To the Editor:

The claim that the baby boom cohort will bankrupt Social Security (“Baby Boomers will Break Social Security,” 4-01-05;A1) is simply wrong. According to the Social Security trustees report, the program can pay all scheduled benefits through the year 2042, with no changes whatsoever. The non-partisan Congressional Budget Office (CBO) projects that Social Security can pay all benefits through 2052. Even after these dates, the program would always be able to pay a higher benefit than what current retirees receive.

In 2042 the youngest baby boomer will be age 78 and the oldest will be age 96. If CBO’s 2052 projection proves correct, then Social Security can survive unchanged until the oldest baby boomers is 106 and the youngest is 88. Clearly Social Security will outlive the vast majority of baby boomers.

Sincerely,
To the Editor:

The article on Social Security ("Administration Considers Action on Social Security," 11-17-02;A5) includes the assertion that “the system … is expected to face enormous strains starting next decade as Americans live longer and the large baby boomer generations starts to retire.” This is inaccurate.

The retirement of the baby boomers has been long anticipated. To help deal with these costs, the program has been building up a large surplus, which now totals almost $2 trillion. According to the most recent Social Security trustees report, the program will be able to pay all benefits until the year 2043 with no changes whatsoever, almost forty years (table V1.E9).

By comparison, it was necessary to raise Social Security taxes in every decade from the forties to the eighties. Using this standard, the program faces less strain than it did at any point in its first five decades of existence.

Sincerely,
2) The Trust Fund

To the Editor:

The Times editorial ("The Death of Deficits," 2-3-02) feeds false fears on Social Security and Medicare. The editorial describes spending the current surplus in these programs as a "raid" which drains money from the systems.

There is no ambiguity whatsoever on the law governing these funds. Both programs hold government bonds equal to the size of their surplus. They hold the exact same amount of government bonds whether the government chooses to save or spend the surplus. The programs are entitled to get the full value of these bonds paid back, and will under the law, just as would any other holder of government bonds. Claiming that the government is "raiding" these programs if it spends the surplus, is like claiming that the government has stolen from me if I buy a bond and it then spends the money it has borrowed.

Sincerely,

To the Editor:

Rob Norton's warning about budget deficits ("We'll Pay for All This Later; Okay?" Washington Post, 11-25-01;B1) seriously misleads readers in its discussion of Social Security and Medicare. The article implies that these programs' budgets are affected by whether or not the government saves the surplus revenue which is currently being collected by both programs, and uses it to pay down the debt.

This is not true. Under current law, the surpluses are used to buy government bonds. The programs will hold exactly the same amount of government bonds regardless of whether or not the government spends the money it has borrowed from them. The finances of Social Security and Medicare would only be affected if Congress were to choose at some future time to default on these bonds -- a decision that is independent of whether current surpluses are saved or spent.

Sincerely,

To the Editor:

The Post editorial on Social Security's finances plays fast and loose with trillions of dollars ("Poor Start on Social Security," Washington Post, July 26, 2001, Page A24). It asserts that it doesn't matter whether the government bonds held by the trust fund are paid back or not.
Social Security taxes are paid primarily by low and middle income households. The general revenue that is used to repay bonds comes primarily from progressive income taxes. Therefore, defaulting on the debt amounts to a huge transfer of wealth from low and middle income households to the wealthy.

If the default were to occur today, the transfer from the bottom 80 percent of households to the top 5 percent would be about $400 billion. If the default does not occur until 2018, when Social Security is projected to begin drawing on these funds, the transfer to the richest 5 percent will be more than $1 trillion. [see http://www.cepr.net/Social_Security/defaulting_ss.htm]

Sincerely,

To the Editor:

The article on Social Security in today’s paper (“Social Security Near Death,” 4-01-05;A1) quotes Senator XXX as saying that the Social Security trust fund is an “accounting fiction.” This is not true. The trust fund currently holds nearly $2 trillion of government bonds, an amount that is increasing at the rate of $200 billion a year.

Under the law, these government bonds must be repaid from general revenue – primarily personal and corporate income taxes. The source of the taxes to repay these bonds is important. Personal and corporate income taxes are paid disproportionately by higher income people while Social Security taxes disproportionately hit low and middle income workers.

Workers prepaid their Social Security taxes to build up the trust fund. They have a right to expect that the bonds held by the trust fund will be repaid to cover their Social Security benefits.

Sincerely,
3) Exaggerated Stock Returns

To the Editor:

The article discussing the prospect of investing Social Security funds in the stock market (“Stock Returns Can Rescue Social Security,” 7-13-38; A1) hugely overstated the potential benefits. The article relied on projections of stock returns from (the Social Security Administration, the Bush administration, specific privatizer). These projections are not credible. [Source] also projected that the stock market could produce 7 percent real returns at the peak of the Internet bubble in 2000.

Stock returns only come from two sources – dividends and capital gains. The only projections of stock returns that were actually derived from projections of dividends and capital gains (based on the Social Security trustees growth projections) show that stocks will provide only a slightly higher return than the government bonds currently held by the trust fund.

Sincerely,

To the Editor:

The Post claim that private accounts will substantially increase the returns for Social Security beneficiaries is misleading (“Shelter for Our Social Security, 11-6-00; A35). It is not clear that bubble inflated stock market can produce higher returns than the government bonds currently held by the Social Security trust fund. The Social Security trustees report presents carefully prepared projections for wage growth, labor force growth, birth rates, life expectancies, and every other variable that affects the solvency of the program. No economist has yet produced projections for the components of stock returns (dividend payments and capital gains) which support the stock return assumptions of privatizers.

It would take a competent economist no longer than an hour to produce such projections. Before anyone asks us to throw trillions of dollars of Social Security money into individual accounts, they should at least take the necessary hour to show us how their numbers add up.

Sincerely,
To the Editor:

The Post's editorial on President Bush's Social Security Commission ("Fixing Social Security," 5-3-01; A20) accepts the claim that the stock market can produce significantly higher returns over Social Security's seventy five year planning horizon than the government bonds currently held by the trust fund. The only projections for stock returns that were actually derived from the profit and growth projections in the Social Security trustees report show that stock returns will average less than 5 percentage points above the rate of inflation (www.cepr.net/Social_Security/letter_to_feldstein2.htm). The difference between this 5.0 percent return and the 3.0 percent real return projected on government bonds will barely be enough to cover the administrative costs of individual accounts.

Until someone produces a set of projections for stock returns that show a very different picture, it is irresponsible to spread myths about high potential returns in the stock market.

Sincerely,
4) The Transition—Paying for Privatization

To the Editor:

Yesterday’s article on President Bush’s proposal to privatize Social Security did not discuss the transition cost (“Private Accounts Will Increase Choice,” 10-12-04;A1). Diverting Social Security funds to private accounts will lead to large losses of revenue for the next several decades. Depending on the details of the proposal, the loss could be as high as $200 billion a year. Since the government deficit already exceeds $400 billion, it is not clear that the financial markets will lend even more money to finance privatization.

The example of Argentina should provide a warning. It privatized its Social Security system in 1994. The revenue loss forced it to default on its government debt in 2001. If the Social Security system had not been privatized, Argentina would have had a balanced budget in 2001.

Sincerely,

To the Editor:

Senator ??? did not explain how he would pay for the transition if we privatize Social Security (“President Bush Proposes Plan for Social Security Modernization,” 10-12-04;A1). If Congress privatizes Social Security, then hundreds of billions of dollars that currently are paid to the government will instead be paid into individual accounts.

Without large tax increases and/or spending cuts, the loss of Social Security taxes will lead to a large increase in the deficit. The government deficit is already near record levels measured relative to the size of the economy. If Social Security privatization leads to a further increase in the deficit, it could panic financial markets and will almost certainly lead to higher interest rates.

If the President Bush has a plan for raising taxes or cutting spending to address the deficit, then he should put on the table before we send the deficit through the roof, by privatizing Social Security.

Sincerely,
5) Problems of Privatization

To the Editor:

The article on Social Security in today’s paper (“Private Accounts Build ‘Ownership Society’,” 4-01-05; A1) misrepresents the nature of President Bush’s Social Security proposal. The accounts created under this plan will not be under the control of individual workers in any meaningful way. The government will control how workers can invest their money and when they can spend it.

Moving behind the rhetoric, these accounts seem to be primarily an elaborate ruse under which to hide large cuts in Social Security benefits. Unfortunately, they also a costly ruse, since the management of these accounts will cost hundreds of billions of dollars in the decades ahead.

Sincerely,

To the Editor:

Rather than being a step into the future (“Private Accounts Will Modernize Social Security,” 5-16-05; A6), replacing Social Security with private accounts will be a step into a failed past. Countries from Chile to England have experimented with private accounts over the last quarter century. In every case, administrative costs have eaten up a large share of workers’ savings, in some cases as much as 40 percent. By comparison, the administrative costs of Social Security are less than 0.6 percent of benefits. This is the reason that many of these countries are now looking to re-establish a U.S. type Social Security system.

Sincerely,

To the Editor:

President Bush’s claim that his plan for privatizing Social Security will create an “ownership society” is a case of false advertising (“Bush Claims Social Security Plan Promotes Ownership,” 6-4-05; A7). His proposal would actually provide very little choice, allowing workers only to select among a small number of index funds. The index funds available would not allow workers to exclude the stocks of companies that violated labor laws, supplied arms to dictators, distributed pornography or engaged in other practices that many view as unethical.

While having a simple index fund does save costs on administrative fees, this is not “ownership” in any real sense of the term. The only issue here is whether workers want a
guaranteed Social Security benefit or prefer a cut, with the opportunity to get a small portion back with a government designed gamble. The Bush plan has nothing to do with ownership.

Sincerely,
6) One-Sided Experts

To the Editor:

The article on Social Security in today’s paper (“Social Security On Life Support,” 11-31-04;A5) cited the assertion of a Concord Coalition spokesperson, that the Social Security trust fund is an accounting fiction. This is not true. The Social Security trust fund holds $2 trillion in U.S. government bonds. Under the law, these bonds must be repaid just like any other government bonds.

It is also important to note that the Concord Coalition has been working to cut back Social Security since the organization was created. It should not have been presented as a neutral source.

Sincerely,

To the Editor:

The article on Social Security in today’s paper (“Social Security Near Death,” 7-13-38;A1) relied on (Peter Peterson, the Concord Coalition etc.) as its main source. Mr. Peterson should have been identified as an opponent of the current Social Security system who has long supported substantial cuts in the program. It also would have been appropriate to include the views of an expert who can speak on the financial strength of Social Security.

Sincerely,
7) Tricks of Privatizers

To the Editor:

The assertion that Social Security taxes will place an excessive burden on future generations is highly misleading. Productivity has consistently increased the amount that can be produced in an hour of work and is projected to continue to do so for the indefinite future. If workers get their share of productivity growth (a very important issue) then wages will be much higher in the future than they are today.

According to the projections from the Social Security trustees, the average before tax wage will be nearly 50 percent higher in 2045 than it is today. This means that even if the Social Security tax were raised by 4 percentage points, our children and grandchildren would still have far higher living standards than we do today.

Sincerely,

To the Editor:

Thomas R. Saving, a member of President Bush's Social Security Commission, was misleading in his piece arguing for Social Security privatization ("A Social Security Solution," 8-12-01; Section 4, p13).

Mr. Saving claimed that Social Security costs will be 25 percent high than today in 2016, 54 percent high in 2025, and 69 percent higher in 2050. If most people had a clear understanding of how much Social Security costs today, this would be a responsible way to present future cost projections. However, only a small fraction of even the Times well-educated readership would have such an understanding.

It would be more normal to express the projected cost increases as a share of GDP. For 2016 it would be 0.86 percentage points, for 2025 1.06 percentage points, and for 2050 2.39 percentage points. This projected rate of increase in Social Security spending is actually smaller than what we saw in the last fifty years.

Sincerely,

To the Editor:

Howell E. Jackson has found yet another way to scare the public about Social Security with his exposition of accrual accounting on the Times oped page ("It’s Even Worse Than You Think," 10-9-03).
Economic analysis should inform the public rather than scare it needlessly. Since virtually none of the *Times* readers has a clear understanding of Mr. Jackson’s accrual accounting, I would refer them instead to the very precise and understandable measures of the Social Security shortfall available in the Social Security trustees report.

This report shows the Social Security shortfall over the next seventy-five years is equal to 1.87 percent of the projected taxable payroll, or 0.72 percent of projected GDP. This means the program could be made fully solvent over this period if the payroll tax were increased immediately by 1.87 percentage points, or by any tax equal to 72 cents on every hundred dollars of future GDP.

Sincerely

To the Editor:

Robert J. Samuelson’s warnings about the cost of the baby boomers retirement is misleading ("The Budget Charade," 2-12-03;A29). He reports that the combined cost of Social Security, Medicare, and Medicaid is projected to rise by 6.3 percentage points of GDP between 2000 and 2030. It is important to note that most of this increase is due to rising per person health care costs, not the aging of the baby boomers.

The obvious answer to this problem would be to reform the health care system. There is no other industrialized nation in which health care costs are so out of control. The United States already pays more than twice as much as other wealthy nations, and still has worse health care outcomes. Unfortunately, Samuelson would rather beat up the elderly than tackle the insurance industry, the drug industry and other powerful interests that are driving up health care costs.

Sincerely,

To the Editor:

Daniel Shaviro warns the country of a long-term budget deficit that is an "almost unimaginable" $70 trillion ("How Tax Cuts Feed the Beast," NYT, 9-21-04). Mr. Shaviro understates his case. This number is unimaginable.

A serious discussion would describe this number as an imaginable 9 percent of future income. An even more serious discussion would point out that the vast majority of this expense is due to projections of spiraling health care costs. This cost explosion will affect both the private and public sectors equally. If health care costs grow as projected, it will devastate the economy even if we shut down Medicare, Medicaid and all other public sector programs.
We should stop trying to scare people with unimaginable numbers and start talking about the real problem facing the country – a health care system that is broken.

Sincerely,