

Profit system unleashes misery on young and old

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New reports released this week provide fresh evidence of the mounting social catastrophe confronting American working people, with the deepening economic crisis leaving older workers unable to retire and relegating younger ones to a life of indentured servitude to pay off ballooning student loans.

A report released Tuesday by the US General Accounting Office, “Older Adults and the 2007-2009 Recession,” began by noting that the present economic crisis is “the most severe in this country since the 1930s.”

It added: “While the recession has affected all age groups, older adults—particularly those close to or in retirement—may face a greater burden because they may not have the same opportunities to recover from its effects.”

It pointed to retirement savings sharply diminished by a falling stock market, depreciations in home equity and immense hurdles for laid-off older workers seeking new employment.

Among the study’s findings:

- * Unemployment rates for workers aged 55 or older have doubled since 2007, with the average period spent jobless tripling from 11 weeks to 31 weeks for workers aged 55 to 64. Nearly 18 percent of jobless workers 55 or older have been without work for 99 weeks or more.

- * Household income for workers aged 55 to 64 has fallen 6 percent. Meanwhile, about one third of workers 65 and older are in low-wage jobs paying less than \$11 an hour.

- * The poverty rate for those aged 55-64 has risen from 8.7 percent in 2007 to 10.1 percent in 2010. The rate is sharply higher when out-of-pocket medical costs are factored in, reaching over 17 percent for those 65 and older. More than a quarter of those between ages

55 and 65 are living on low incomes, below 200 percent of the federal poverty level.

- * The number of households with a member age 60 or older depending upon the Supplemental Nutrition Assistance Program (Food Stamps) increased 25 percent between 2006 and 2009 to 2.5 million.

One effect of the crisis is that growing numbers of older workers see no prospect for retirement, either soon, or in many cases, ever.

A survey conducted by Sun Life Financial Inc. found that just 23 percent of the working population say that they are very confident about being able to meet basic living expenses in retirement. This is half of the 46 percent that said so in 2008.

The majority, 54 percent, said that they would continue working past age 65, while 20 percent believed that they would be compelled to work until the day they die. Sixty-one percent of workers said that they were delaying retirement and working for at least three more years.

Sun Life President Wes Thompson described the survey’s results as “a tipping point.” The overall index measuring confidence in retirement has fallen from 46 percent in 2008 to 36 percent this year.

On the other end of the age spectrum, the Federal Reserve Bank of New York reported that the dollar amount of student loans taken out last year for the first time topped the \$100 billion mark, with total outstanding loans set to rise to over \$1 trillion in 2011. According to the Fed report, more is now owed on student loans than in credit card debt.

Meanwhile, the College Board reported that students are now borrowing twice as much as they did a decade ago, even accounting for inflation.

While older workers are forced to postpone or forego entirely their retirement, younger ones find themselves

saddled with debts that drain their earnings and leave them without enough to get a home of their own or start a family. The old and the young find themselves pitted against each other in a labor market that is stacked against them, offering fewer jobs at less pay.

In the face of this cascading crisis, there is no support within the American ruling elite or either of its two parties for taking any genuine action to ameliorate conditions for the broad masses of the population. Instead, Democratic President Barack Obama has staged a cynical bus tour, promoting a so-called “jobs bill” that he knows will never be passed. Even if it were, it would at best produce barely one-tenth of the jobs that are needed to bring the unemployment rate to where it was before the financial meltdown of 2008.

The only policy that enjoys bipartisan support is the imposition of trillions of dollars in deficit-reduction, forcing working people to pay for the crisis caused by Wall Street through the decimation of Social Security, Medicare, Medicaid, public education and other essential social programs.

The increasingly barbaric social conditions confronting every generation are giving rise to social anger and unrest that have found only their first expression in the anti-Wall Street protests that have spread across the United States and around the world.

Rather than accept a society in which the old are compelled to work themselves to death and the young are denied a future, the American working class will inevitably be drawn into mass struggles of a revolutionary character.

Capitalism has failed in the United States and on a world scale. Only the working class can provide a progressive way out of the crisis that is being unleashed upon all of mankind.

Working people can advance their own program in defense of jobs, decent education, a secure retirement and other basic social rights only by breaking free from the grip of the official trade unions and the Democratic Party, which together defend the interests not of the workers, but of the banks and corporations.

Only through a determined and bold attack on these interests can the working class advance a solution to the present crisis. It requires the expropriation of the multi-billion-dollar fortunes of the ruling financial oligarchy and the taking over of the major banks and corporations so that they can be run to meet the social needs of the

majority, rather than the profit interests of the top 1 percent. In short, economic life must be reorganized on a socialist basis.

The decisive issue in carrying forward this struggle is the building of a new, revolutionary leadership in the working class—the Socialist Equality Party.

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