

Ample retirement should be option for all

Silicon Valley / San Jose Business Journal - by [Bob Brownstein](#)

The American public needs to begin a dialogue about pensions and the opportunities for workers to secure a decent retirement. Unfortunately, the recent opinion by the leadership of the San Jose Silicon Valley Chamber of Commerce in the Oct. 23 issue of the Business Journal gets this discussion off to a bad start.

American retirement packages vary enormously. Consider the CEO who shattered the careers of thousands of middle-class Americans by aggressively downsizing and sending jobs offshore. In addition to millions of dollars, his retirement included free lifetime use of a Boeing 737 and a helicopter, floor-level tickets for the Knicks, box seats for the Red Sox, the Yankees and the Metropolitan Opera, exclusive use of a Manhattan apartment, home security systems for his four residences and much more.

Now consider the firefighters and police who entered the burning World Trade Center buildings on Sept. 11, 2001. They earned excellent pensions; their next-of-kin received them. The local city workers who clean street drains in the worst of storms, who answer 911 calls, and who agree as a condition of employment to place the public's needs above their own families' in time of disaster receive good pensions, too.

It is testimony to the Chamber's misplaced values that its leaders consider the public workers' pensions, not the CEO's, objects of scorn and criticism.

A healthy debate over retirement begins with the community's objectives. I'll present mine: Every working American should have the chance to enjoy retirement security after a lifetime on the job.

How can this "Earned Security" model be achieved? Objective retirement plan analysts maintain most workers require a mixture of Social Security, a pension and savings. For those ineligible for Social Security, like San Jose's city employees, the pension must be larger.

How do we move toward this goal? By preserving retirement models, like many in the public sector, that produce earned security. Then we must create retirement options for workers who lack them and improve options for those whose resources are inadequate. We should not attempt to destroy viable retirement plans and initiate a "race to the bottom" in which employers strive to emulate the worst models available.

When the Chamber calls for replacing defined-benefit pensions with defined-contribution systems like a 401(k), it abandons the "Earned Security" goal in favor of "Work Till You Die." Even before the housing collapse, it was evident that 401(k) and other defined-contribution plans could provide security only for a small, affluent elite. For most workers, the combination of low incomes, low savings rates, exorbitant fees and high risks makes these plans a prescription for misery in old age.

It is critical to recognize that the "race to the bottom" approach doesn't begin with proposing a totally worthless retirement plan. It is the logic of the Chamber's strategy — to continually replace good plans with inadequate and cheaper ones — that leads to the "Work Till You Die" result.

This may be the decade in our country and community when we decide whether health care, middle class incomes, upward mobility and a decent retirement should be available for just the few or for all Americans. Supporting "Earned Security" as a retirement goal is a useful step toward the vision that the many who worked hard and followed the rules are entitled to share in their country's prosperity.

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