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Young workers are losing access to pensions – why?

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Teachers in Frankfort, Ky., protested proposed pension cuts in 2018.

Do you know what a pension is?

Millennials and zoomers — have you heard of pensions? Have you ever had a job that offered one? Some of us have, but we may be the exceptions.

As we grow older and more people come to join us in the working world, I'd bet money that — at least without a massive workers' movement — fewer and fewer people will have even heard of a pension.

For our more seasoned readers, it may shock you to learn that there are people in the world who don't know what a pension is, much less ever had access to one.

It's a reflection of capitalist decay. Decades and decades of privatization, austerity and union-busting have crushed the wages, benefits and protections the workers' movements won in the past.

Most jobs worked by younger people barely offer a 401(k) retirement plan, much less paid time off, sick leave or mileage reimbursement.

So what is a pension?

The short version: pensions are deferred wages, paid out at a later date after you've retired.

A more pithy version: a pension is how you're going to survive when you're too old to work.

The default pension for most is Social Security, won through the militant labor struggles of the 1930s. Social Security is funded by taxes on your paycheck and on your employer. Of course your employer pays its share of the tax from your wages.

How did pensions come about?

In the U.S., pensions existed in different forms starting as long ago as the early 1800s. Generally these were private enterprises or charitable drives led by religious communities. The Bureau of Pensions was established in 1832 to manage pensions for veterans of the War of Independence.

Pensions as we know them today were not widely available until after the New Deal and the Social Security Act of 1935. In short, this legislation created retirement income for senior workers, as well as unemployment insurance.

Social Security is not an employer-paid pension plan. Social Security is a federal government program. Social Security provided some relief from poverty for the elderly.

Franklin D. Roosevelt didn't just wake up one day and decide to push for this out of the kindness of his heart. The New Deal and Social Security was a result of the blood, sweat and tears of a militant workers' movement. The New Deal was implemented to prevent a workers' revolution.

The massive crisis of capitalism called the Great Depression forced workers, poor and oppressed people to fight for their lives. Their movement had to face the truth that many of us are starting to recognize today — that only a socialist revolution would save them.

Amidst massive unrest, poverty, unemployment, and facing down a quickly-growing workers' movement, the ruling class knew they had to offer concessions in order to save the capitalist system. Pensions were one of these concessions.

Following World War II, with the expansion of U.S. imperialism and the resulting super-profits made by U.S. capitalists through their global industrial monopoly, workers in labor unions were able to win employer-paid private pensions on top of the skimpy pensions paid by the Social Security program.

Union workers also won employer-provided health care plans that made up for the absence of health care as a basic human right in the U.S. Pension plans and health care coverage became standard benefits for many jobs.

Why are pensions disappearing?

Marxist leader Sam Marcy wrote "[High Tech, Low Pay](#)" in 1986 to explain the huge changes taking place in capitalist production and the changing character of the working class with the advent of major technological advancements. The

technological advancements he wrote about, and their effects on workers and production, are still changing the world today.

The leaps and bounds in technology in the past few decades are driven by the capitalists' ever-present thirst for profits, rather than to meet peoples' needs. This means that new technological advancements are introduced for the purpose of lowering labor costs — either reducing the overall "skills" required by workers in production, or entirely replacing workers with automation, sending entire labor forces to the unemployment line. Either way, workers pick up the cost.

At this late stage of capitalism, when the goal of imperialism has turned from attaining new markets and territories to maintaining its territories, the ruling class has to draw blood from stone. In other words, every market is already thoroughly saturated, and when imperialism has run out of markets to access, it has to find new ways to maintain profits.

In turn, jobs in the United States have begun to polarize sharply in two directions. On one end, you have service sector jobs without any hope for benefits; on the other end are relatively high-paying jobs that require degrees (aka student debt), which may or may not offer decent benefits.

Between the two are "gig"-type jobs that certainly don't offer benefits, and public sector and healthcare sector jobs from which the bosses constantly try to strip away benefits, either through direct cutbacks or privatization.

Moreover, workers who already have pensions are frequently at risk of losing them. This is not just because of the constant attempts to cut them, but also because most pension plans have been converted to 401(k) plans. Legally 401(k) plans are not regulated like pension funds; that is, they are deregulated and open to speculation and manipulation. Pension plans guarantee a monthly check in retirement while a 401(k) does not offer any guarantees.

Wall Street controls most 401(k) plans and has been using some 401(k) funds to gamble in the stock market. [Recent controversy around GameStop stocks](#) highlighted the volatility of the stock market speculation.

Workers have no legal recourse. We just have to hope our pensions are there for us when we retire.

How can I get a pension?

Pensions came around because of militant workers' struggle. Pensions have started to disappear because of a vicious capitalist counter-offensive. It's in our hands to renew and broaden the workers' struggle for a living wage, safe workplaces and job benefits, but also to connect the workers' struggle to the struggle against racism, war and gender-based oppression.

Fight for a union; if you have a union, fight to make it fight!

