

Where I'm At Regarding Pension Reform

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First – proposed solutions must be shown to be capable of producing a satisfactory level of public services at a price the people are willing to pay based on cautious projections of economic growth through the years it will take to establish a sustainable financial future for our governments. My issue is not so much what the benefits are – rather that they satisfy these requirements. Unless the proponents of any particular “solution” can demonstrate with realistic financial projections how their proposals will achieve these goals they’re just blowing hot air. Show the people the numbers. If you can’t your proposals aren’t real

Second - the debt isn't our only or even our real problem. Like a too-high fever it's dangerous and must be brought down. But the fever and the debt are symptoms – not causes. An honest analysis of what created this debt – certainly in Mendocino County - points at deeply flawed financial management and a near lack of real public accountability. Changing what retirement benefits are doesn't change these fundamental flaws – although admittedly it could remove the opportunity to create this much damage. We need to reform both how governments manage our money and how we hold them accountable.

Third –we have huge debts and structural deficits created by unfunded public retirement benefits that must be confronted. Delay is disaster. The only thing that could possibly bail us out is a huge economic expansion and run up of value in the stock market. It's a fool's hope – it almost certainly won't happen.

Finally (for now) - my gut tells me Mendocino County and hundreds of other local and state governments in the US have already promised more retirement benefits than they can deliver – the public will not be willing to accept the combination of tax increases and/or service cuts that would be required. It's truly a bad situation – but here we are.

There's a notion in California – distinct from almost all other states – that the day someone takes a government job they forever have an inalienable right to the retirement benefits as stated on that day.

But those are just words – where's economic reality? Simply put – I very much doubt that we can make it through the financial storm we are now in and maintain all the retirement obligations that have been promised to current government employees – and perhaps even to some who are now retired. Those who say we must fulfill these promises should put realistic projections of the combination of economic growth, tax increases and/or service cuts that would be necessary on the table that would be acceptable to the majority of citizens.

I'll end with an excerpt from one of my favorite letters:

The earth belongs ... to the living; the dead have neither powers nor rights over it.

I say the earth belongs to each ... generation during its course, fully, and in their own right. The 2d. generation receives it clear of the debts and incumbrances (sic) of the 1st., the 3d. of the 2d. and so on. For if the 1st. could charge it with a debt, then the earth would belong to the dead and not the living generation. No generation can contract debts greater than may be paid during the course of its own existence.

From a letter by Thomas Jefferson to James Madison, Paris, 9/6/1789