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Within the Modern Welfare State

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Chapter II

ALLEVIATING POVERTY A Halakhic View of Social Security Within the Modern Welfare State

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Although the contemporary welfare states of the West are not directly the products of Jewish influences, they do embody age-old Jewish ideas – ideas that have been enshrined within actual halakhic practices of Jewish communities throughout the millennia. Transmitted by Jews, and later by Christians, these critical social measures were never systemically incorporated into the body-politic of broad societies, until rather belatedly – in the nineteenth century – they began to become a part of the developing nation states of modernity.

The broad principles underpinning Jewish laws dealing with the care to be directed toward individuals within a worthy society are as simple as they are profound. Founded in the Torah, they express notions that, while seemingly obvious, have, for much of human history, proved to be radical: that all human beings are created in the Divine image¹ and therefore deserve the opportunity to live a life reflective of that reality; that one should aspire to equate love of one's neighbor to love of self,² implying assiduousness for the wellbeing of the other; that it is improper to stand by idly while one's neighbor bleeds,³ suggesting that ignoring the physical, material, or emotional suffering of another is unacceptable. It is, moreover, important to note that this Jewish approach does not view behaviors that strive for these goals as belonging in the category of "righteousness," but sees them rather as being within the purview of "justice." Hence, as is well-known, the Hebrew term "*tzedakah*," often mistranslated as "charity," really connotes "acts of justice." From a Jewish perspective, it is a fundamental requirement of justice to use one's

God-given wealth to build a society that is focused on securing essential viability and dignity for the orphan, the widow, the poor, and the elderly, as well as for those who are vulnerable in other ways. Thus, a society that is derelict in this mission both abnegates its duty to uphold communal wellbeing, and simultaneously neglects a critical criterion of justice itself.

It is small wonder, therefore, that Maimonides' codification of the laws of *tzedakah* are spelled out in a multiplicity of specific mandates. Just one illustration from his *Mishneh Torah* requires that within [e]very town that has [members of] Israel in it, they are obligated to establish from among them *tzedakah* officials, well-known and trustworthy men who will make rounds throughout the people each and every Shabbat eve and take from everyone what he should properly give and that which has been assigned for him. And they [the officials] distribute the coins each and every Sabbath eve and give to every poor man provisions of food to last for seven days. And they also establish officials who take every day, from every courtyard, bread and foodstuffs, or fruits or coins from those who offer to donate at the moment. And they distribute the collection that evening among the poor and from it give to each poor man his daily sustenance. ...⁴

Moreover, a reasonably clear historic picture has emerged that shows Jewish communities throughout the ages actually applying the broad range of Jewish societal mandates:

... In Rome during the seventeenth century, when Jews were particularly oppressed and confined to a ghetto, there existed thirty benevolent associations in a population of less than five thousand Jews. Even the smallest, poorest ghetto in Europe had a lodging house for indigent strangers, a salaried physician so medical assistance was available to all and a free

educational system.

Despite poverty and the pressure of life in the segregated zone of White Russia known as the Pale of Settlement, where all the Russian Jews were shunted in the nineteenth century, Jewish charitable activities flourished unabated. Some provinces were so poor that more than 20 percent of the residents depended on the largesse of their neighbors to exist, and still money was found to supply poor students with clothes, soldiers with kosher food, the poor with free medical treatment, poor brides with dowries, and orphans with technical education.⁵

In large measure, therefore, the Torah pioneered, and Jewish communities refined, a societal vision that regarded effectively helping the needy as a *sine qua non* of a decent society. Conversely, outside autonomous Jewish communities, widespread, systematically organized assistance for those who could not provide for themselves was the exception rather than the rule:

Public health programs, free public education, social security benefits, shelters for the homeless, soup kitchens, etc., were virtually unheard of in antiquity – even in the most advanced and well-organized ancient civilizations. Two thousand years ago, Rome – the largest city on Earth at the time – did not have one public hospital, asylum, or shelter. Indeed, two hundred years ago Paris was not a whole lot better

What existed was there by the benevolence of one monastic order or another. Nearly all the government-sponsored welfare programs we are familiar with in the West came into being in the last few hundred years. ...⁶

Consequently, whereas the welfare systems of the West that developed in the late nineteenth and early twentieth centuries

represented a watershed in the history of human societies in one form or another, they embraced fundamental notions that Jewish communities had always deemed essential.

It has become apparent, however, that though they share many congruent goals, there is a key philosophical difference between the welfare-oriented societies of the contemporary West and a society that would cleave to the Jewish model of *tzedakah*. Examining welfare nations first, it is readily apparent that, across the range of different models,⁷ these states do not focus programmatically on helping the needy as a matter of priority. While alleviating economic vulnerability may once have stimulated the creation of the assistance structures that are offered, welfare nations ultimately made many benefits universally available to all those within certain categories: thus, benefits are made available to the unemployed, or to those over sixty-five years of age, or to those with two or more children, to cite just a few examples. Indeed, a well-known definition describes the welfare state as a "model of provision, where the state accepts responsibility for the provision of comprehensive and universal welfare for its citizens."⁸ As a result, in the welfare state, benefits are frequently made available to recipients without regard to means. It is, therefore, a widely accepted fallacy that welfare states concern themselves mainly with the disadvantaged; it is a fallacy that is further countered by the reality that welfare programs are often focused on addressing matters such as education, retirement, and health care, without regard to vulnerability:

A classic myth about social or welfare policy is that they concern only the poor. Public education, unemployment and pension benefits are frequently perceived as something entirely different. In fact, the lion's share of public expenditures in western nations is spent on welfare policies. ... [Yet] despite the complexity and extensiveness of many modern welfare

states, many of them perform poorly in alleviating poverty.⁹

There can be little argument that, throughout the twentieth century, Western welfare states improved the health, knowledge, and wellbeing of their citizens considerably. In the majority of welfare states, universal benefits, though exceedingly costly, have ensured that all citizens received coverage, without stigmatizing the poor. The universality feature also encouraged widespread "buy-in" to these programs because of the self-interest incentives that were involved.

It is certainly plausible, though, that one of the reasons why these welfare states "performed poorly in alleviating poverty" is that their resources were not marshaled most effectively towards achieving this goal. By contrast, the philosophical outlook of a *tzedakah*-oriented society, as opposed to the welfare state, does not support the extensive use of public resources for universal benefits. It is plain, from a host of halakhic sources, that the *tzedakah* mandate, both in its public and private components, was designed, first and foremost, to help the needy. Thus, the Torah calls upon Jews to leave the corners of their fields and their gleanings for the poor and the stranger,¹⁰ to allow the needy to eat from the land during the sabbatical year,¹¹ to cancel debts so as to prevent indebtedness,¹² and "to open your hand to the poor and needy kinsman in your land."¹³ Isaiah stresses that it is God's desire that Jews "share your bread with the hungry, take the wretched poor into your home, and when you see the naked, clothe them."¹⁴ The prophets were, of course, famous for exhorting Israel to pay attention to the plight of the widow and the orphan, those without the ability to sustain themselves economically. Later the rabbis declared that "one who gives even a *prutah* to the poor is privileged to sense God's presence."¹⁵ Their instruction that "just as God clothes the naked, so should you ... just as God visits the sick so should you ...,"¹⁶ is but one expression of the heavy emphasis that the rabbis placed on helping the less privileged. As Rabbi Aaron Levine,

an expert in Jewish law pertaining to economics, encapsulates the Jewish requirement:

Exegetical interpretation of the phrase *you shall maintain him* (Lev. 25:35) establishes that charity in its noblest form consists of aiding a faltering individual from falling into the throes of poverty. The position of such a person must be stabilized, with his dignity preserved, by either conferring a gift upon him, extending him a loan, entering a partnership with him, or creating a job for him.¹⁷

It is this powerful emphasis on helping those in a real state of need that would come to be formulated within the laws of *tzedakah*, as codified by the leading sages.¹⁸ The suggestion, however, that communal funds should be accumulated to provide assistance for those who are not in difficult straits is simply not supported within the Jewish legal literature.

Furthermore, the idea that the energies of a *tzedakah*-oriented society should be essentially devoted to helping those who are in genuine need is underscored by the halakhic outlook that regards reliance on public funds as fundamentally undesirable, and a situation to be avoided if at all possible. From the perspective of Judaism, an individual is to be encouraged to take extreme measures to avert a situation of dependency. In the words of the rabbis, "make your *Shabbat* like a weekday rather than be dependent,"¹⁹ and "flay carcasses in the market place and earn wages and do not say 'I am a priest and a great man and it is beneath my dignity.'"²⁰ This viewpoint most certainly does not imply that those who are legitimately needy should desist from accepting help, but it does convey the notion that self-reliance is to be preferred over dependence on public assistance. It is clear that any concept of providing the public at large with broad, universal benefits is at odds with the thrust of this approach.

Indeed, Dr. Meir Tamari and Rabbi Yedidya Sinclair, both scholars in this area, have made the point that the very term “welfare” was designed to make what ought to be an unpalatable notion of relying on public assistance into a socially acceptable phenomenon:

In our own day, liberal and socialist thinkers have objected to the use of the word “charity” to describe the assistance given to the poor and the weak. “Welfare,” to their mind, was a more correct term, since it preserved the dignity of the recipient. Almost all of the policies of the welfare state are based on this distinction. ...

Furthermore, when “welfare” rather than charity is the normative system, many of the same people who would not wish to draw on charitable funds, with their resultant stigma, see nothing wrong with “living off welfare” – since it is theirs, so to speak, as a right. This leads to a certain moral disease that encourages abusing the system or, at best, discourages efforts by individuals to break the poverty cycle. ...

Judaism’s view of charity, while ensuring both individual and communal care of the weak and unfortunate, militates against welfare as a way of life.

...²¹

The philosophical divide can, then, be characterized in this way: many contemporary states provide a range of “welfare” structures that are delivered as universal benefits, in a fashion that has effectively established the perception that these provisions are the “rights” of all citizens. Within the halakhic worldview, however, since becoming a recipient of public funds is to be avoided, it cannot be viewed as a right. Taken as a whole, after all, the Jewish legal system is not concerned with rights so much as with obligations: responsibilities that are articulated through commandments. These responsibilities dictate

that a worthy society has the duty to create favorable economic circumstances and suitable programs that will provide for the feeding, health-care, education, and dignified old-age of those who might otherwise be impoverished, as well as to prevent individuals and families from sinking into poverty. Accordingly, it is the obligation of a society to do its utmost to provide the poor, or those who are in danger of becoming poor, with the means to live in dignity and, hopefully, the capacity to be able to escape the need for public assistance. The halakhic viewpoint does not, however, recognize a "right" for any particular individual or family to become the recipients of public benefits.

Having analyzed these divergent philosophical approaches, it is worth illustrating how the *zedakah*-oriented approach differs in practice by exploring the Jewish legal system's evaluation of the U.S. Social Security system. U.S. Social Security, paid for by F.I.C.A. taxes, is actually an amalgamation of three benefits: a retirement benefit, a death benefit, and a disability benefit. Unlike many benefits offered by Western nations, Social Security is not, strictly speaking, universal since only those who have been employed in the workforce for a sufficient period become eligible to earn benefits. Since a very high percentage of American households do in fact become eligible, however, it is tantamount to being universal.²²

The broad features of Social Security can be understood as follows: There are compulsory insurance components to Social Security that protect against death and disability, but if these were the essence of the program, there would probably be little need for the Federal government to be involved. The largest part of the Social Security endeavor involves the provision of retirement benefits that account for, on average, forty percent of Americans' post-retirement incomes.²³ Employees and employers jointly pay a 12.4% tax on income, a small component of which funds the death and disability

features of the program, with the vast bulk going to pay current retirees' benefits, as well as to fund the operations of the Federal government. In return for paying F.I.C.A. taxes, employees are promised that, when they retire – and until they die – they will receive government benefits based on their earnings during their years of employment.

There are at least two common misperceptions about Social Security. One is that the retirement benefit that forms the cornerstone of the program is actually "insurance." If it were in fact insurance in the classic sense, it is not at all clear what this "retirement insurance" might be insuring against. If it is insuring against outliving one's finances, then Social Security would have to be considered a rather limited type of insurance policy, given that it can meet, on average, only forty percent of the needs of those who outlive their finances. Furthermore, if it is indeed insurance against outliving finances, then there is clearly a significant minority of American retirees who ought not to have any "claim" whatsoever since there exists no plausible prospect of them ever outliving their finances. For wealthy Americans, if the insurance model were the apt analogy, then, in the event of some catastrophic occurrence that eliminated financial well-being, Social Security benefits could – like other insurance payouts – begin at the point of crisis, rather than starting at an arbitrarily designated age. This is not, however, the way in which the system works, and hence its standing as an "insurance" program, as opposed to a "welfare" program, is debatable.

The second, far more widespread, misconception about Social Security is that the program simply returns to the beneficiary the monies that were "paid in during all those years," along with the accrued sums yielded from the investment of those monies. This view perceives the government essentially managing a citizen's retirement money on behalf of the individual and then returning it to each

beneficiary during the retirement years. Yet this depiction is plainly at odds with the reality of how Social Security works. Clearly, whether or not one “gets one’s money back” depends in large measure upon how long one lives after beginning to receive Social Security checks. Even if two hypothetical individuals were to draw retirement benefits for an exactly equivalent period of time, however – five years, by way of example – the result would not be the gradual and even return of those monies that each individual had paid in. In actuality, since payable benefits are capped for higher income earners, Social Security is distributive in nature – it provides those who had greater incomes with a smaller percentage of their pre-retirement income than it does for those of lesser means.²⁴

And herein lies the first potential halakhic quibble with the Social Security retirement benefit as it is currently constituted, – for Jewish law does not support the forcible redistribution of wealth from those of greater means to those of lesser means. The Jewish system most certainly envisages a sizeable *tzedakah* “tax” on the *entire* community to provide for those in need, and it unequivocally calls upon the rich to do more through private, rather than public, channels. It does not, however, advocate that poverty should be dealt with by taxing higher income workers at higher rates in order to diminish the wealth gap. The imperatives of Jewish law “make it clear that what Judaism calls for is responsibility to the poor, not income redistribution. It makes no judgment as to what constitutes equity in income distribution.”²⁵ There is, consequently, no promotion “in halakhic fiscal decisions of a policy aimed at the redistribution of wealth,”²⁶ since “[n]one of the halakhic authorities seem to consider *tzedakah* as an egalitarian device intended to transfer funds from the rich to the poor. Rather, they adopt the Maimonidean position that ‘it is not the obligation of the householder to enrich the poor, only to support them.’”²⁷

This halakhic disinterest in income redistribution is rooted in the notion, discussed above, that human dignity is best supported by developing one's own resources to escape poverty, rather than by accepting support from public sources. Hence, according to this line of thought, while the basic needs of the poor²⁸ must be addressed, adding redistributive features to public programs can only encourage dependence upon what the public purse has to offer. It is for this reason that Jewish sources tend more toward a "flat tax" approach²⁹ to dealing with societal need, wherein the tax burden is apportioned in a fashion that is proportionate, rather than disproportionate, to wealth.³⁰

To be sure, the Social Security tax is, at face value, a "flat tax," insofar as the tax rate levied is the same for all. The fact that the benefits are capped for higher income earners, however, makes the net effect of the program redistributive, just as surely as had those higher income earners been taxed at higher rates. Since Judaism seems to favor systems that tax all equally, and that distributing the proceeds on the basis of real need, rather than formula, it follows from this analysis that a halakhic approach to the Social Security retirement benefit would take issue with the redistributive features of the benefit, constituting, as it does, a disproportionate disadvantage to higher income earners.

From a Jewish perspective, however, there is a more serious challenge to Social Security as it is currently constituted than the redistributive problem for not only is the benefit payable to higher income earners capped, but so is the amount of earnings that are subject to Social Security taxes. In 2005, for example, workers paid Social Security taxes on all income up to \$ 90,000, but not a penny of taxes on income over that figure. Some six percent of American earners are estimated to have incomes that exceed the \$ 90,000 level.³¹ Calculations show that, on average, this top six percent paid

Social Security taxes on only fifty percent of their income. This cap has meant, moreover, that as the incomes within this group rise, the mean percentage of their income that is subject to Social Security taxes steadily falls.³² The fact that this group, on average, was paying Social Security taxes on only fifty percent of their income implies that their effective Social Security tax rate was half that of the ninety-four percent of lower income earners. In 2001, had the cap on earnings not been in place, the government estimates that it would have collected an extra ninety-six billion dollars – in one year – in Social Security taxes. It is clear that money of this order of magnitude could be used to provide some response to real poverty among Social Security recipients or health care needs, or problems within the Social Security system itself, were this substantial, and growing, statistic to be collected as actual taxes.

From a Jewish perspective, as has been shown, it is viewed as problematic to establish differentiated rates of taxation. This problem, though, becomes manifestly exacerbated when the differentiated rates of taxation favor the wealthy. Given that the core value of a *tzedakah*-oriented society is to help the poor and the disadvantaged, it is patently intolerable if the rich are asked to pay less than an equal share in this enterprise. This becomes a particularly egregious matter insofar as real need goes unaddressed while the rich enjoy a benefit.

There are, of course, those who will argue that the two caps, the cap on benefits and the cap on taxable earnings, could reasonably be seen as offsetting each other. Whether this is mathematically accurate – a prospect that seems remote, given that taxes are usually paid for far more years than benefits are earned³³ – it hardly addresses the problem that two philosophical “wrongs” cannot be absolved through the production of a numerical “right.” Inequitable taxation rates that favor the very rich cannot simply be combined with redistributive benefits to produce an appropriate outcome. This

would be true even if it could be shown that the system treats all with the approximate equitable results that a *tzedakah*-oriented approach would expect. This, however, is demonstrably not the case. One group, in particular, is glaringly disadvantaged: moderately “high-earnings” workers – for instance, those who make fifty percent more than the average salary, ultimately receive a benefit that replaces only thirty-eight percent of their average annual earnings (as opposed to a fifty-seven percent replacement rate for the low-income worker who earns half of the average salary).³⁴ Given that, in mid-2004, the average U.S. salary was around \$34,000,³⁵ those making fifty percent more would have been earning around \$51,000, considerably below the \$90,000 cap on taxable earnings. Hence, all those earning from \$51,000 to \$90,000 would have had Social Security taxes apply to every penny of their income, yet would ultimately receive thirty-eight percent or less of their annual earnings as a benefit. Unlike the highest six percent of income earners, this group must pay the full tax rate, while yet anticipating a reduced rate of benefit.³⁶ It is clear, then, at least one group that is assuredly disadvantaged comprises those who earn above average, but “below the cap,” incomes.

Consequently, from a Jewish perspective, Social Security, as it is currently constituted, is unsatisfactory for several reasons. First, and most important, while it is true that the existence of Social Security has dramatically reduced poverty among seniors, this ought not to lead to the conclusion that the present system is the best honed tool for achieving this goal. Poverty rates among seniors in the United States continue to hover around the ten to twelve percent mark.³⁷ It is plain that if all those fortunate enough to have accumulated adequate resources to support themselves through their retirements were no longer to receive Social Security benefits, the needs of the elderly poor could be addressed in a far more satisfactory fashion. As has been seen, Jewish texts do not advocate that those of means should benefit from publicly collected funds, even if these funds are

portrayed as (involuntary) insurance. To the contrary, in fact, Jewish texts have consistently proposed that the distribution of public funds be subject to means testing. Rabbi Sinclair summarizes the sources in this way:

Jewish law instituted a means-test for recipients of communal funds. The *Shulhan Arukh* codified that public charity could not be given to those with capital assets of 200 *zuz* and above, or working capital of 50 *zuz*. (Both sums were sufficient to yield a year's basic living expenses.) In addition, it stresses that the community must check the neediness of those who come claiming support for clothing from public funds (though not those who claim food, lest they die of hunger while they're waiting). ... The economic argument of using public money efficiently is underpinned by a moral claim, that funds collected from individuals by the coercive powers of community taxation should be given to those who really need and deserve help.³⁸

Dr. Tamari, putting the argument even more succinctly, expresses the Jewish opposition to providing a universal benefit to all with this pithy observation: "granting benefits to the rich as well, would be legalized theft from the coerced taxpayer."³⁹ Means testing benefits is unquestionably the preferred Jewish strategy to do the work of poverty alleviation most effectively.

Second, the *halakhah* does not support taxes that have a redistributive effect. Taxation based on income should be levied in a manner proportionate to income, and those of means should then provide supplementary private funds to ensure that poverty is combated. A distributive tax can have the unintended effect of leaving those of means with the sense that they have already done "more than

their fair share,” and that there is no need for them to go further through private assistance.

Third, given that the *tzedakah*-oriented society does not favor redistributive taxes, the notion that a small cadre of very high income earners would actually benefit from a lower effective tax rate is incomprehensible from a *halakhic* standpoint. Though economic arguments have been proposed to support this feature of the Social Security structure,⁴⁰ neither poverty alleviation nor the interests of justice can be said to be well served by this inequity.

In light of these perceived systemic deficiencies, it is curious that the contemporary movements within Jewish life have not been more engaged in calling for Jewish principles in this area to be applied in the public sphere. Indeed, although the Reform and Conservative movements have passed explicit resolutions on certain features of the Social Security system,⁴¹ the core structural concerns of the *tzedakah*-oriented society have, presumably, been regarded as too ambitious to tackle. Both movements have focused their attention on opposing the utilization of private savings accounts for any portion of Social Security, even though the actual impact of such private accounts on poverty is speculative.⁴² In terms of the overall parameters of Social Security, the Conservative rabbinate has called for further study of the matter, without expressing direct reservations about the existing system.⁴³ The Reform rabbinate, in a resolution passed in 1999, explicitly supported the key characteristics of the status quo in these terms: “[B]eneficiaries who earned higher wages during their worklife should continue to receive benefits related to their earnings history, but the progressive nature of the program – replacing a larger share of low-income workers’ past earnings as a protection against poverty – should be maintained.”⁴⁴ It is understandable that the Reform movement, albeit contra Jewish tradition, would support the redistributive nature of the program in the name of poverty protection.

It is, baffling, however, as to why those who “earned higher wages” should “continue to receive benefits related to their earnings history” when a number of those earners are not in need of such benefits, and when “higher wages” could mean lower effective rates of taxation. Such resolutions inevitably leave the impression that their focus is more on narrower political issues, rather than on establishing the broader Jewish vision of the *tzedakah*-oriented society.

There is no expectation, of course, that persons of means, as they enter their retirement years, should, on an individual basis, voluntarily forego the retirement benefits that are legally available to them. Such an act, although a meritorious expression of righteousness, would still leave systemic shortcomings unaddressed. There is, however, a more reasonable expectation that though poverty might never be completely alleviated, poverty relief should become the core goal of social assistance endeavors. There is not the slightest doubt that the various programs of the modern welfare state, founded on primary Jewish ideals, have already yielded remarkable reductions in poverty rates during the twentieth century. And these gains must be safeguarded. If, however, there are to be further substantial diminutions in poverty, Jewish insights posit that they will be more effectively achieved by making this task a focused communal responsibility, rather than continuing to seek shared entitlements as a universal communal right. Through means testing benefits, assistance can be delivered with greater impact where it is truly required, and public and private social justice programs can unite in striving to achieve the most significant objective of all: providing every member of society with enough to ensure a basic, dignified existence. It is, naturally, a hope for some future day that dependence upon public assistance might eventually evaporate, so that all will be able to partake in the human satisfaction of self-reliance. Going forward, it

would be well for Jews and Jewish organizations to consider applying some of the finely honed insights of the Jewish tradition in working toward that goal.

Notes

1. Gen. 1:27.
2. Lev. 19:18.
3. Lev. 19:16.
4. Maimonides, *Mishneh Torah, Hilkhoh Matanot L'Evyonim*, 9:1-3.
5. Spiro K., *WorldPerfect – The Jewish Impact on Civilization*, (Simcha Press, 2002), pp. 106-107.
6. *Ibid.*, p. 262.
7. Heinisch R., "How to Conceptualize the Welfare State," Johnstown, (University of Pittsburgh, 2000), <http://www.pitt.edu/~heinisch/basic.html>.
8. Spicker P., "An Introduction to Social Policy," Aberdeen, (The Robert Gordon University, 2005)
<http://www2.rgu.ac.uk/publicpolicy/introduction/wstate.htm#Globalization>.
9. Heinisch R., "European Welfare States: Information and Resources," Johnstown, (University of Pittsburgh, 2000), <http://www.pitt.edu/~heinisch/basic.html>.
10. Lev. 19:9-10.
11. Ex. 23:10-11.
12. Deut. 15:1-2.
13. Deut. 15:11.
14. Is. 58:7.
15. B.B.B. 10a.

16. B. Sotah 14a.
17. Levine A., *Economics and Jewish Law – Halakhic Perspectives* (New York: Ktav Publishing House, Incorporated, 1987), p. 114.
18. See, for example, the rulings of Maimonides set out above.
19. B. Pes. 112a.
20. B. Pes. 113a.
21. Tamari M., *With All Your Possessions – Jewish Ethics and Economic Life* (Northvale: Jason Aronson Incorporated, 1998), pp. 249-250. See also, Sinclair Y., “Welfare: Universal or Means-Tested Benefits?” Business Ethics Center of Jerusalem, <http://www.besr.org/library/universal.html>.
22. Social Security Administration Publication Number 05-10024, January 2005, “Understanding the Benefits,” <http://www.ssa.gov/pubs/10024.html>.
23. Ibid.
24. As one analyst described it:

In providing retirement and life insurance, Social Security redistributes income from high lifetime earners to low lifetime earners. A few hypothetical cases—taken from the 2002 trustees' report—illustrate Social Security's redistribution process. A worker who earned average wages over his or her career and retired at age 65 in 2005 will receive annual Social Security benefits equal to 45% of his or her average annual earnings. Social Security would replace 57% of the average annual earnings of a low-earning worker (who earned 50% of the average earnings), and 38% of the average annual earnings of a high-earnings worker (who earned 50% more than average). So, while high-earning workers receive more money in their Social Security checks, they receive a smaller portion of their earnings.
25. See: “Frequently Asked Questions about Social Security,” Economic Policy Institute, May 2005, at http://www.epinet.org/content.cfm/issueguide_socialsecurityfaq.
25. Levine, *op. cit.*, p. 135.

26. Tamari M., *The Challenge of Wealth – A Jewish Perspective on Earning and Spending Money*, (Northvale::Jason Aronson, Incorporated, 1995), p. 229.
27. Tamari M., *With All Your Possessions*, p. 260.
28. For a discussion of what constitutes “basic need” in *halakhic* sources, see Levine, *op. cit.*, pp. 116-125.
29. Kahaner L., *Values, Prosperity and the Talmud – Business Lessons from the Ancient Rabbis* (Hoboken: John Wiley and Sons Incorporated, 2003), pp. 68-69.
30. Levine, *op. cit.*, p. 130 notes: “Another reason for the public sector’s involvement in social welfare is that the obligation to relieve the plight of the poor is, according to R. Solomon b. Abraham Adret (Spain, ca. 1235-ca. 1310), not an equal per capita obligation but rather a responsibility proportional to wealth. ...”
31. “Top Earners Get Social Security Windfall, Others Get the Bill,” Economic Policy Institute, March 9, 2005, at http://www.epinet.org/content.cfm/webfeatures_snapshots_20050309.
32. *Ibid.* The cap amount is also adjusted annually, but the slight increases in the cap do not prevent the average percentage of income subject to Social Security taxes from continuing to decline.
33. Hence, it would seem reasonable to expect that the richest six percent would be greatly advantaged by a capped tax rate for the extended time period while they are paying taxes, followed by a relatively smaller benefit for the more brief time during which they receive benefits.
34. See endnote 24, above.
35. U.S. Department of Labor, *National Compensation Survey: Occupational Wages in the United States*: July 2004, Bulletin 2576, September 2005, p. 6.
36. To illustrate this in stark terms, a person, A, earning an income of exactly the cap amount throughout his/her working life would receive the maximum capped benefit at retirement. However, a person, B, earning \$ 50,000 more than the cap throughout his/her working life would pay exactly the same amounts and receive exactly the same amounts as A. Hence, B’s net effective tax rate would be lower than A’s.

37. The 2004 figure was 9.8%. This still represents some three and a half million seniors. See "Poverty: 2004 Highlights," United States Census Bureau, August, 2005, <http://www.census.gov/hhes/www/poverty/poverty04/pov04hi.html>.

38. Sinclair Y., "Welfare: Universal or Means-Tested Benefits?" Business Ethics Center of Jerusalem, <http://www.besr.org/library/universal.html>.

39. Tamari M., "Are we Obligated to Establish a Welfare System?" Business Ethics Center of Jerusalem, <http://www.besr.org/library/responsa/welfare.html>.

40. See, for example, Hederman R. S., Foertsch T. L., and Johnson K. A., "Keep the Social Security Wage Cap: Nearly a Million Jobs Hang in the Balance," The Heritage Foundation, April 22, 2005, <http://www.heritage.org/Research/SocialSecurity/cda05-04.cfm>.

41. No similar resolutions from Orthodox institutions were able to be located.

42. See "Social Security," A Resolution adopted by the Central Conference of American Rabbis, March, 2005, <http://data.ccarnet.org/cgi-bin/resodisp.pl?file=socialsecurity&year=2005>. See also "Resolution on Social Security," passed by the Rabbinical Assembly Convention, March, 2005, <http://www.rabbinicalassembly.org/docs/2005resolutions.pdf>.

43. See "Resolution on Social Security," passed by the Rabbinical Assembly Convention, March, 2005, <http://www.rabbinicalassembly.org/docs/2005resolutions.pdf>.

44. "Social Security," A Resolution adopted by the Board of Trustees of the Central Conference of American Rabbis, May, 1999, <http://data.ccarnet.org/cgi-bin/resodisp.pl?file=ss&year=1999>.