

INTERVIEW WITH JACOB HACKER

Shifting Risk: The Future of Health Care in America

America's middle class is in peril, argues Yale political scientist Jacob Hacker in his recent book *The Great Risk Shift*. As individuals and families are forced to assume more responsibility in paying for – and managing – their health and retirement benefits, the resulting economic insecurity among workers, he says, threatens to stifle prosperity for everyone. Hacker will deliver the keynote address at the **20th annual Benefits Management Forum & Expo** in Dallas. He recently spoke with Robert Whiddon, editor of *Employee Benefit Adviser*, for article published in that magazine's June issue. Here are some excerpts from that interview.

Whiddon: You seem very young to write this book. Unlike many Gen Xers (myself included) you refuse to give up on the notion of a traditional “retirement.” The book ends exhorting readers to get mad, get wise and get even.

Hacker: What you describe, your attitude of resignation and acceptance is true of a lot of people in our generation. ... Young Americans, particularly Gen Y if you will – people in the youngest age group in the labor market – are resigned and indeed feel as if they just have to construct their own life independent of [traditional] promises. What I'm trying to do in the book is say, "Look we're at a critical turning point. We can either accept that we are going to lose any guarantee of security and that we're all going to try and make it on our own, or we can try to reclaim some of the best elements of tradition."

Whiddon: The book carefully details how devastating even a temporary job loss or health condition can be on a working family. You don't blame employers for the impact, however.

Hacker: I want to be clear. I don't think of employers as villains. I think they are basically stuck in a bad situation because there are so many responsibilities that the government has left on their shoulders. My view is we could have a win-win situation. Not only could we provide broader security but we could also get costs under control in a way that would help employers' bottom lines.

Whiddon: Employers seem to have reached a point where they don't want to spend more on benefits. Do we have to re-educate the next generation of business owners and leaders, reminding them that shareholder value has to change in order for us to maintain a healthy workforce and a middle class?

Hacker: Companies that act to slash their costs in the short term are often making counterproductive choices for the long term. ... While there are cases where you have to retrench, corporate leaders often will act in shortsighted ways, maybe because of the stock market pressure to do so, and not think about of how they can create a culture of higher performance that involves sharing in the risk as well as distributing the reward.