

### Protecting Social Security



The economic downturn has taken an especially heavy toll on older Americans, who are grappling with diminished retirement accounts and the worst job market their age group has ever faced. During such uncertainty, our commitment to preserving Social Security is more important than ever. For 75 years, this program has been a source of stability, a bedrock promise that Americans who have worked hard their whole lives will be able to retire with dignity.

Demographic changes are about to test our commitment to this promise. As America's population ages, Congress must move to shore up Social Security's finances. To help balance the books, many Members of Congress are proposing steep cuts in Social Security benefits. I believe this is a grave mistake. We can and must preserve Social Security without cutting benefits.

The Social Security trust fund currently contains about \$2.6 trillion in assets. Starting this year and continuing, with a few exceptions, for the foreseeable future, the program will take in less in taxes than it delivers in benefits. Thanks to interest income, the trust fund will not start to shrink, however, until 2024, when expenditures are projected to exceed both tax revenues and interest income. Without Congressional action, the trust fund is capable of delivering 100 percent of benefits through 2037 and 75 percent of benefits through 2083.

Fixing these numbers and restoring America's fiscal health will require careful decisions about which programs we can afford to cut and which are sacrosanct. Simply put, it is foolhardy to downsize a program that has arguably done more to provide security and keep Americans out of poverty than any other. Today, more than 53.4 million Americans receive Social Security

benefits, including 36.5 million retirees and spouses and 4.5 million surviving spouses of deceased workers. The impact these payments have is impossible to overstate. 23 percent of seniors receive more than 90 percent of their income from the program and nearly 14 percent receive all their income from it. The Center for Budget and Policy Priorities has estimated that Social Security benefits keep close to 13 million seniors above the poverty line. I believe that a decision to cut these benefits is a decision to abandon more seniors to poverty.

Social Security's likely shortfall, while significant, is manageable. Over the next 75 years it will reach about 0.7 percent of GDP. This is comparable to the cost of extending President Bush's 2001 and 2003 tax cuts for the richest 2 percent of Americans (an extension I strongly oppose). I believe that we can make up for this shortfall without reducing the good Social Security does. There are several reform options that do not involve cutting benefits. One option that I believe deserves attention is raising or abolishing the cap on income that is subject to Social Security taxes. Social Security taxes currently apply only to the first \$106,800 of income, meaning that America's billionaires pay a much smaller fraction of their income toward Social Security than middle- and working-class families. The non-partisan Congressional Budget office has projected that eliminating this cap would extend the trust fund's solvency to 2083. Eliminating the cap without further raising benefits for those above the current cap would keep Social Security solvent indefinitely.

I believe we should also consider shoring up Social Security with savings and reforms from outside the program. Letting the Bush tax cuts for the richest 2 percent of Americans expire is one way to recover the funds needed to keep Social Security solvent. Another option, and one that I believe we must pursue anyway, is to take a hard look at our dysfunctional immigration system. It is widely acknowledged that an increase in Social Security reporting by employees hiring immigrants could improve Social Security's finances by improving the ratio of workers to retirees.

One reason why I believe we should pay special attention to savings outside Social Security is that, in addition to being one of America's most successful government programs, Social Security is one of the most efficient, with administrative expenses for retirement and survivors equal to just 0.6 percent of total expenditures. These administrative costs would actually grow under a Social Security plan that several Members of Congress are currently pushing for. This plan, called the Roadmap for America's Future Act, would create private Social Security accounts and allowing portions of the Social Security trust fund to be invested in the stock market. In addition to siphoning more money to administrative costs, the plan would open America's retirement savings to an unacceptable level of risk. Had these politicians succeeded in privatizing Social Security before, the toll of the 2008 stock market crash on Americans' retirement savings would have been even more devastating.

Making tough choices is as much about choosing what is essential to American life as it is about finding programs to cut. Our current fiscal situation and the projected shortfalls Social Security faces must not shake our commitment to poverty reduction and retirement security.

As a true believer in Social Security and the ideals that have sustained it for 75 years, I will continue to fight cuts to Social Security and push for better ways to preserve our promise to America's seniors.