



Social Security Choice

SOCIAL SECURITY THIS WEEK

A WEEKLY NEWSLETTER ON SOCIAL SECURITY REFORM

WEEK OF AUGUST 12, 2005

Social Security Becomes Top Priority for Fall

Social Security will top the agenda for Congress after the August recess, according to a report in *CQ Daily* this week. The passage of CAFTA, the energy bill, and the transportation bill, have freed up time and resources and provided Republicans with an opportunity for a concentrated push on Social Security starting in September.

Taking advantage of the time afforded by the August break, leaders in Congress have been fine-tuning proposed reform packages, hoping to take advantage of what Republicans see as momentum in favor of the majority party. Chairman of the House Ways and Means Committee Bill Thomas (R-CA) is expected to unveil a substantial retirement bill that may or may not include provisions to address the solvency crisis alongside the proposed measure to safeguard the Social Security surplus through the creation of personal accounts.

Efforts to agree on the shape of reform are more complicated in the Senate, where the Finance Committee has so far failed to finalize the details of its preferred package. Several options are available, but as of yet, none has the necessary votes to emerge from Committee. The Senate may adopt the House bill for consideration, create its own “package-deal” bill, or limit its efforts exclusively to Social Security. A GOP aide was recently reported as expressing doubt that the Republican leadership in the Senate would bypass the Finance Committee if it believed that there was still a prospect of achieving consensus on the body.

With the realignment of legislative priorities underway, the focus of lobbying efforts has adjusted correspondingly. Business groups are understood to have identified 60–70 lawmakers who have yet to decide a position on Social Security reform, or who are in position of influence over the process. It is expected that as members return from the August recess, pro-reform groups will step up efforts to persuade these lawmakers.

Anti-Reform Activists Change Tactics for Fall

Quoting an internal memo circulated by Americans United to Protect Social Security, an anti-reform organization, *Congress Daily* reports that a nationwide alliance

of activists is planning to mobilize opponents of the current efforts to reform Social Security in an attempt to thwart congressional moves after the August recess.

With many pundits now expecting Social Security reform to be a central focus of political activity in the fall, Americans United to Protect Social Security plan to pressure “targeted” members as part of a “national plan of action” to label reform attempts as the “Republican Privatization Bill.” Additionally, although House leaders have reportedly coalesced around legislation proposed by Ways and Means Social Security Subcommittee Chairman Jim McCrery (R-LA) that would retain the system’s surplus, thereby increasing the funds available to Social Security, the group’s internal memo announces plans to portray the initiative as resulting in “cuts in guaranteed benefits and more debt.”

Continuing the campaign against reform into September, Americans United to Protect Social Security’s memo schedules “large scale” visits by activists to congressional offices. “Members need to come back to Congress feeling that the masses have spoken loudly against pending legislation,” the document states, adding that such steps are required for “building the capacity necessary to wage an aggressive fall campaign.”

The report in *Congress Daily* does not contain any indication that Americans United for Social Security intend to propose any alternative reform solution to address to Social Security solvency crisis or to introduce elements of ownership, inheritability, or choice to the system.

Student Group Continues Campaigning for Personal Accounts

Aiming to keep Social Security reform at the top of the agenda through the August recess, grassroots student group [Students for Saving Social Security \(S4\)](#) has been organizing chapters across the country to build support for personal accounts among students and younger workers.

This week, S4 joined forces with FreedomWorks to counter-protest an AARP rally on Capitol Hill. According to a press release, Max Pappas, director of policy at FreedomWorks, engaged the AARP Social Security Policy Director, John Rother, in an informal policy debate. “The AARP’s recent ads represent an erroneous analogy by asking if we’d knock down a house because it has a leaky faucet,” Pappas said. “Of course we wouldn’t. But, if our house was built in the year Social Security was built, 1935, and still had asbestos insulation, peeling plaster walls, no electricity, no TV or phone, and no plumbing, we’d modernize it while maintaining the structure we like. That’s what personal accounts are for Social Security, a modernization. No one creating a retirement system from scratch today would create something like Social Security, where no money is saved and the government spends whatever is left over on pork projects.”

Polls have consistently shown that support for personal accounts is highest among those who have recently entered the workforce and those expecting to do so in the near future. Research conducted by independent pollster John Zogby on behalf of the Cato Institute revealed that almost two-thirds of people under 30 years of age support the push for individual accounts.

Students for Saving Social Security (S4) has led the grassroots campaign for accounts, with organizations at more than 150 college campuses across the country. Communications Director Ben Ferguson was [quoted](#) by the Kansas City InfoZine as saying that students want ownership and control of their own future.

The campaign has been backed by members of Congress. Rep. Adam Putnam (R-FL) has met with S4, noting, “This is a huge issue for young people. This is money you are losing, beginning today.”

Members of S4 were also featured this week in Jeffrey Birnbaum’s *Washington Post* column, “[K Street Confidential](#).” The column highlights the efforts of S4’s founder, Jonathan Swanson.

“Swanson is taking off the fall semester to run his organization from Washington,” according to the column. “His presence will be an inspiration, not just to other college kids, but also to grizzled veterans of the lobbying scene. ‘They’ve got such passion, such commitment to the concept of personal accounts that they really give the rest of us renewed energy,’ said Dirk Van Dongen, president of the National Association of Wholesaler-Distributors.”

For more on Students for Saving Social Security, visit [their website](#).

John Snow: Personal Accounts Are a Must

Speaking this week in Mount Pleasant, Pennsylvania, Treasury Secretary John Snow discussed the benefits of personal accounts with local business leaders. Snow stressed the importance of personal accounts as part of an overall reform package, [adding](#), “We’re going to try for the whole reform package, which means reducing the gap in Social Security, but doing so with personal accounts as an integral part of the final solution.”

Snow’s comments come as Congress prepares to revisit the Social Security issue after the August recess. Announcing his expectation of a coming push to address reform proposals, Snow finished by stressing, “Personal accounts are an essential component of any solution to Social Security.”

The Bush administration to date has refrained from specifying in detail its preferred version of reform, affording Congress the latitude to decide the ultimate shape of the legislation.

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