

Social Security Choice

SOCIAL SECURITY THIS WEEK

A WEEKLY NEWSLETTER ON SOCIAL SECURITY REFORM

WEEK OF OCTOBER 21, 2005

Group of Senators Will Continue to Push for Social Security Reform

A handful of key Senators will be attempting to force a vote this year on the Social Security reforms currently pending in the Senate, reforms that include Sen. Jim DeMint's plan for lock-boxing the annual surplus in personal accounts for workers and Sen. Rick Santorum's plan to legislatively guarantee that Americans over 55 will receive their currently scheduled benefits. According to a *CQ Today* report, the senators involved—Santorum, DeMint, and Sen. John Sununu—"have not settled on a time or method to bring the issue to the floor, and concede that even achieving a vote—much less winning one—will be difficult."

The report continues: "Both bills depart from Bush's proposals because they would not address Social Security's future financial problems. But Santorum and DeMint see their proposals as more politically viable than Bush's, which would combine individual accounts carved from Social Security's payroll tax revenue with cuts in most future retirees' benefits under existing law."

DeMint told reporters, "I think it's a mistake not making the Democrats vote against saving the surplus, and I'll continue to tell the leadership that."

Cato's Michael Tanner noted that Sen. Santorum's bill, which is aimed at assuaging older voters, "is more symbolism than substance, since it is impossible to bind a future Congress," but he added, "Combined with DeMint's bill for surplus-funded accounts, it could serve as basis for incremental reforms."

S4: Not Going Home Until the Job Is Done

A "Vantage Point" piece in *CQ Weekly* this week notes the commitment of members of Students for Saving Social Security, who seem to be "laying in for the long haul" on Social Security reform in spite of legislative slowdowns. An excerpt of the article follows:

"In borrowed office space at 18th Street and Pennsylvania Avenue, a handful of twentysomethings called Students for Saving Social Security, or S4, are trying to keep the Bush plan alive. On a recent Monday afternoon, they packed boxes with T-shirts,

Frisbees and stickers. All the swag, which was headed mainly to young Republicans at college campuses, promotes individual investment accounts. The stickers are direct: “Don’t be,” they read, followed by a large drawing of a screw. This isn’t your grandfather’s talking point.

“The Social Security debate has been going on for 20 years,’ said Jo Jensen, the group’s chief of staff, who has also been alive for 20 years. ‘But this is new to us. It’s definitely not dead to us.’

“The president has observed a diminished appetite in Congress for an overhaul. But the issue, it is clear, is not going away. Long term, the debate will be decided by the nations younger generations. That’s why you have the AARP joining forces with MTV’s Rock the Vote initiative to oppose individual accounts and why S4 is continuing to hang around in Washington long after the expected battle royal in Congress over the issue has fizzled out.

“Older people had already made up their minds,’ said AARP’s policy and strategy director, John Rother. ‘The younger set was the only part of the population that was still in play.’

“Members of S4 say they’re keen to keep their target demographic in play. ‘Once you do talk to someone, they get it,’ says Ursula Williams, who at 28 is S4’s elder stateswoman. Like Jensen, the multiethnic Williams brings a missionary zeal to the job; she left a job at a California public relations firm to fight for individual accounts, which she believes will help black families build wealth.

“All the group’s employees agree that they’re laying in for the long haul. ‘A delay just makes us bigger and more powerful,’ says Jonathan Swanson, the group’s co-founder.

“And maybe more dedicated. Jensen is a Mount Holyoke junior who had a scholarship to work for GOP Rep. Rob Simmons of Connecticut this summer. But midway through she gave it up, after learning that Simmons doesn’t back individual accounts.

“She fines her office mates \$1 if they pronounce each letter of AARP’s acronym instead of just calling the group Aarp. Around these parts, the enormous interest group for seniors is known as Enemy No. 1. One recent Friday, an S4 staffer wore a duck suit outside a downtown Metro station the message being that AARP and others are ducking the issue.”

Lawmakers Propose Commission to Contain Entitlement Spending

This week, Sen. Chuck Hagel (R-NE) and Rep. John Tanner (D-TN) introduced complementary pieces of legislation in their respective chambers, proposing a Comprehensive Entitlement Reform Commission to find ways to scale back the projected growth of the entitlement triple-threat of Social Security, Medicare, and Medicaid.

In a floor statement, Hagel said, “Social Security, Medicare and Medicaid have played a vital role for millions of Americans to cope with the financial burdens of

retirement and health care costs. However, over the next 75 years these three programs represent a \$42 trillion unfunded commitment and are on a trajectory that cannot be sustained. The Commission will review America's three major entitlement programs and make comprehensive recommendations to sustain the solvency and stability of these programs for future generations."

At a press conference announcing the legislation, Rep. Tanner added, "Because of an aging population, stagnant birth rates and longer life spans...the systems face long-term fiscal burdens over the next 75 years. We cannot sustain these important programs over time if we do not take a comprehensive look now at potential reforms.

"It is our responsibility to ensure these important retirement and health care programs are stable so future generations can obtain the assistance they have been promised and that they have helped support for others before them."

A press release added some detail to how the commission would operate: "The bi-partisan Commission would be comprised of eight members appointed by bi-partisan leaders of the House and Senate. Its work would fall under the Federal Advisory Committee Act, which requires Government Accountability Office oversight and full public access. The Commission would be required to submit a final report to the President and Congress one year after the appointment of all Commission members and staff, and Congress would be required to hold committee hearings to review the Commission's recommendations."

Edited by Brooke Oberwetter, boberwetter@cato.org. To subscribe or unsubscribe to *Social Security This Week*, please contact Christy Rhoton at (202) 789-5259 or crhoton@cato.org.