



Social Security Choice

SOCIAL SECURITY THIS WEEK

A WEEKLY NEWSLETTER ON SOCIAL SECURITY REFORM

WEEK OF NOVEMBER 11, 2005

Senate May Vote on Personal Accounts Next Week

Senate Majority Leader Bill Frist has agreed to allow supporters of Social Security reform to bring two bills directly to the floor for a vote, possibly as early as next week. The bills are S1302, sponsored by Sen. Jim DeMint, which would use Social Security surpluses to fund personal accounts, and S1750, sponsored by Sen. Rick Santorum, which would guarantee currently promised Social Security benefits to everyone age 55 and older. The move would come under an expedited procedure that bypasses committee action. An exact date for a vote has not been announced, but Sens. DeMint and Santorum are expected to act quickly. A White House spokesman announced this week that the president “believes the approach by Sens. Santorum and DeMint moves in the right direction.”

Reform supporters do not believe that they have sufficient votes to pass either bill, particularly in the face of an expected Democratic filibuster. But a vote (even on cloture) would be the first opportunity to put Senators on the record for or against personal accounts. A strong pro-account vote could build momentum and keep the debate alive into 2006.

Supporters of reform generally regard S1302 as an incremental, but positive first step on the road to reform. (See, Michael Tanner, “[The Personal Lockbox: A First Step on the Road to Social Security Reform](#),” Cato Institute Social Security Paper no. 36, September 13, 2005.) A similar bill, HR3304, known as GROW (Growing Real Ownership for Workers) has been introduced in the House by Reps. Jim McCrery (R-LA), Sam Johnson (R-TX), Clay Shaw (R-FL), and Paul Ryan (R-WI). That bill is currently stalled in the Ways and Means Committee, although Rep. McCrery has indicated that it could receive a vote next spring.

S1750 is generally regarded as a symbolic measure intended to reassure seniors and those close to retirement that they have nothing to fear from reform.

Grassley Not Optimistic As Bills Move Forward in the Senate

Just days before the announcement that the DeMint and Santorum bills would be given floor time in the Senate, Senate Finance Chairman Charles Grassley discussed his

pessimism about the prospects for reform in the near future. Speaking to the U.S. Chamber of Commerce this week, Grassley said, “I am very pessimistic about it in the future. Probably the next bite at Social Security will come in 2009,” after the next presidential election.

However, according to a report by Reuters, Grassley pledged his support to any efforts to revisit the president’s proposals before then and admitted that he was uncertain how the efforts of DeMint and Santorum would play out.

Students for Saving Social Security Launches Online Petition

This week Students for Saving Social Security (S4) launched Americans Against the Raid in partnership with FreedomWorks, Citizens Against Government Waste, and The Seniors Coalition. Americans Against the Raid is online petition to support the efforts of Sens. Rick Santorum and Jim DeMint to end the raid on the Social Security trust fund.

To sign the petition or for more information on S4 or Americans Against the Raid, visit www.americansagainststheraid.org.

Upcoming Events

The Cato Institute will host a breakfast forum entitled “Social Security: Where Do We Go From Here,” in Indianapolis on Tuesday, November 29. The seminar will feature an address by Rep. Mike Pence of Indiana. The event will take place at the Westin Indianapolis from 8:30 – 10:00 am. Look for more information in next week’s *Social Security This Week*.

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.