SOCIAL SECURITY INFORMATION CENTER
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STRENGTHENING SOCIAL SECURITY: WHAT THEY'RE SAYING

President George W. Bush – Confront Problems And Act Now: "I fully recognize that some in Washington don't see a problem. They'd rather kind of sweep this issue under the rug. But that's not the job of the President. The job of the President is to confront problems and not pass those problems on to another President, or another Congress, or another generation. And I realize if we don't act, it's going to cost $600 billion a year because of inaction. And I realize if we don't act, we're liable to saddle a younger generation of Americans with an 18-percent payroll tax to make good for the promises that you've made for me. And that's not fair, and that's not right." (President George W. Bush, "Discussion On Strengthening Social Security For Younger Workers," 5/19/05) Read The Transcript.

Secretary John Snow – Progressive Benefit Growth Is Socially Just And Financially Responsible: "The system is financial unsustainable and America knows it. The question is no longer *whether* to fix Social Security… the question today is *how* are we going to fix it. The Social Security trustees report, after all, cannot be denied. The work of non-partisan actuaries shows that Social Security cash flows peak in 2008 and turn negative in 2017. The trust fund itself will be exhausted in 2041. The unfunded obligation is a staggering $11.1 trillion on a permanent basis, and $4.0 trillion over the next 75 years. … The President's indexing proposal is an approach that is socially just while also being financially responsible, bringing the program about 70 percent of the way toward solvency. I know he is looking forward to working with Congress to bring the program all the way to 100 percent, permanent solvency." (Secretary John Snow, "Remarks At Treasury's Social Security Economic Roundtable," 5/19/05) Read The Transcript.

Some Beltway Labor Chiefs Fight Strengthening System To Keep Power: "Labor leaders say the president's recommendation endangers the retirement of millions of Americans and that they oppose it for the good of all workers. But there's a lot more to their position than that. … The AFL-CIO and its affiliates are going all-out to kill the president's plan not just out of altruism but also out of a sense of self-preservation … As an antidote to that calamity, unions have been trying to exert themselves not just from the bottom -- by organizing and recruiting new members -- but from the top -- by using their pension funds, which own hundreds of billions of dollars in corporate securities, to compel boards of directors to do what they want". (Jeffrey Birnbaum, "For Labor Unions, Social Security Is A Matter of Clout," *The Washington Post*, 5/16/05) Read the Article.

College Student And Son Of Secretary Snow – Fix Social Security Immediately So That Assets Build: "The sooner we are allowed to invest in personal accounts, the better it will be for our generation because we will have more time to build assets. The longer we wait to address the problems facing Social Security, the more expensive the solution becomes. Social Security trustees say that for every year we wait to reform Social Security, an additional $600 billion is added to the cost of reform. Like paying off student loans or your credit card, it is cheaper to do today than it will be tomorrow." (Christopher Snow, "Building Nest Eggs: Reform Is Plus For Young," *The Richmond Times Dispatch*, 5/15/05) Read The Column.

Democratic Economist Robert Pozen – Reform Before Baby Boomers Retire: A registered Democrat, Robert Pozen has little to gain politically from the Social Security solvency plan that he drafted and that now is heralded by President Bush, whom the former Massachusetts economic development chief voted against in November. Nonetheless, Pozen has become a favorite witness at congressional hearings, promoting his idea of 'progressive indexing' for future benefits. … Pozen says the time to act is now, while the country has a second-term president relatively immune to political pressures and before the baby boomers retire. Because of political sensitivity to those near retirement, any changes probably would not take effect for five years to seven years. … 'If we wait until 2015 — the next time there will be a second-term president — but can't touch benefits until 2022, by then many of

the baby boomers will have already retired,' he said." (Glen Johnson, "Democrat Key To Bush Social Security Push," *Associated Press*, 5/15/05) Read The Article.

Rep. Robert Wexler (D-FL) Introduces Social Security Bill: "Rep. Robert Wexler, Florida Democrat, broke with his party leadership yesterday and introduced a plan to fix Social Security by raising taxes, saying it's time more Democrats join the dialogue by introducing plans of their own. 'I hope mine is the first of several Democratic plans that are offered,' Mr. Wexler said. 'I believe it's time Democrats offer an alternative to the president.'" (Amy Fagan, "Wexler Offers Proposal To Fix Social Security," *The Washington Times*, 5/17/05) Read The Story.

Progressive Benefit Growth Needed To Close Social Security Shortfall: "Investment adviser Robert Pozen, a leading proponent of changing the Social Security benefit formula to slow growth in benefits for all but the lowest earners, today defended his plan against criticism that its impact would fall too heavily on the middle class. 'The schedule is something that we can't possibly afford. ... If we've got to protect Social Security benefits for everyone but the high-wage workers, then we can't have Social Security reform,' Pozen told reporters and House aides in a briefing today with Reps. Jim Kolbe, R-Ariz., Allen Boyd, D-Fla., and former Rep. Charles Stenholm, D-Texas. The White House has endorsed the Pozen plan -- also known as 'progressive indexing' -- as one step among others that would be needed to close Social Security's long-term funding shortfall." (Martin Vaughn, "Pozen Defends Progressive Indexing, Encourages Saving," *Congress Daily PM*, 5/18/05)

Time Warner Chairman Richard Parsons – Personal Retirement Accounts Patches Hole In Safety Net: "Looking this problem squarely in the eye--something politicians have been reluctant to do for decades--Bush has put a bold plan on the table. His reform proposal would ensure that benefits for low-income workers, those who depend on Social Security the most, would grow faster than benefits for people who are better off. By most accounts, this reform would solve 70 percent of the funding deficit facing Social Security. At the same time, the president believes, and I agree, that giving workers the voluntary choice of investing in a personal retirement account--in addition to patching that hole in the Social Security safety net--will provide millions of current and future workers with the nest eggs they'll need to live in comfort once they retire." (Richard Parsons, "A Real Opportunity To Fix social Security," *The Chicago Tribune*, 5/19/05) Read The Op-Ed.

Secretary John Snow – Most In Need Will Retire With Greater Benefits Than Current System: "To help put Social Security on a financially sustainable course, President George W. Bush has proposed protecting future benefit levels for lower-income people, while slowing the growth rate for those better off. Under this approach, those most in need will retire with benefits greater than the current system can deliver. … Yet the president has been criticized for cutting benefits. In the real world, receiving a 3 percent raise instead of a 5 percent raise would not be considered a "pay cut." In the case of Social Security, we must reject misleading, inside-the-Beltway language that treats a reduction in the rate of increase as a decrease in benefits." (Secretary John Snow, "Social Security: Reform Will Help The System Keep Its Promise To Seniors, *The St. Louis Post-Dispatch*, 5/19/05) Read The Op-Ed.

Professor William Volz – Personal Accounts An Incentive For Younger Workers To Invest: "President Bush wants to free younger workers to invest a portion of their Social Security contributions in individual investment accounts. … Private savings accounts, or PSAs, could work as an incentive for younger workers to increase their understanding of finance and, perhaps, spark a desire to begin saving for their retirement. Without private savings, a comfortable retirement for these young Americans funded solely by governmental programs exceeds the projections of even the most optimistic economists." (William Volz, "Private Accounts Can Help Drive Philanthropy," *Crain's Detroit Business*, 5/15/05) Read The Op-Ed. (Subscription Required)

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