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February 25, 2005

CONTACT:

White House Social Security 'fact sheet' is anything but

By Robert Weiner
MY VIEW

Tallahassee Democrat

Last week's White House fact sheet on Social Security contains anything but the facts. It asserts that by 2027 the government will somehow have to come up with an extra \$200 billion a year, and by 2033, more than \$300 billion.

The "Strengthening Social Security for Future Generations" report goes on to predict that by 2042, "the system will be bankrupt."

Federal Reserve Chairman Alan Greenspan also overstated the problem when he told the Senate Finance Committee this month that benefits would "strain the resources" of Social Security by 2008 but ignored the ongoing Social Security Trust Fund surplus through 2052.

None of these assertions is true, yet this unfounded fear is the basis of the proposal for so-called reform. The Claude Pepper Foundation, headquartered in Tallahassee, recently found that 54 percent of Americans think they will not even get as much as they paid in, and most think Social Security can't pay more than 20 years of current benefits.

The reality, according to the Congressional Budget Office, is that the Social Security Trust Fund covers the program fully through 2052. Perhaps President Bush wants to spend the annual surpluses for other programs and to cover up the deficit for all other federal programs - some \$500 billion annually including Iraq war costs.

Moreover, there will be no Social Security bankruptcy in 2042 or even in 2052. President Bush's 2042 figure is based on the Social Security Trustees' two-year old estimate that the Trust Fund will be able to cover 73 percent of benefits in that year. The Congressional Budget Office, reflecting somewhat more current economic improvements, states that 80 percent will be covered in 2052, more than now, factoring in inflation. Further economic improvements could stop any shortfall.

Regardless, even if the CBO or SSA figures were to become accurate in 40-50 years, Congress could easily then cover all or part of the difference or make any changes to the program at that time to deal with any potential shortfall. It would not be the big deal Bush is making it out to be.

In addition, the baby boomer factor so often cited by Bush and Greenspan is a short transitional matter. The boomers aren't boozing with babies themselves. Their own parenting rate of 2.1 per woman (1970-2000) is the lowest rate in history, according to the National Center for Health Statistics. This low birth rate will also then represent the lowest drain on the Social Security Trust Fund ever.

The system will go back into a huge surplus because of the need to pay fewer beneficiaries. What we really have is a solvable "blip" followed by a totally secure system.

Under pressure, the president has altered his words from just a month ago of "crisis" and "private accounts," changing them to "problem" and "personal accounts." The camouflage does not alter this Wall Street give-away proposal, which would put trillions into the coffers of the brokerage and banking companies whose executives gave \$38 million to Bush's two presidential campaigns and \$6 million to his last inaugural, according to the Center for Responsive Politics and Public Citizen.

But the facts are beginning to take hold, and the "reformers," whom I view as the destroyers, appear to be beginning to cave. Former House Speaker New Gingrich asserted the Republicans in Congress could lose the majority over the White House proposal.

Current Speaker Dennis Hastert added, "You can't jam change down the American people's throat unless they perceive there really is a problem."

Now Bush is saying he won't even put forward a formal proposal; he wants Congress to do it.

Clearly, the president and the reformers are now flailing, and Democrats were right during the State of the Union speech to draw a line in the sand and yell "No!" when the president said Social Security is going bankrupt.

House Democratic Leader Nancy Pelosi, D-Calif., Minority Whip Steny Hoyer, D-Md., and new Democratic National Chairman Howard Dean told me they are ready to respond to proposals on a bipartisan basis, but only after the Republicans change the hyperbolic mentality and discuss the problem rationally.

There are proposals that Democrats could accept - such as using a portion of the tax cuts for reducing the Social Security deficit only if and when there is one, or reinvesting the current Social Security Trust Fund surplus - \$145 billion a year - into the very kinds of private funds the president proposes, and use the profit down the road if a trust fund deficit occurs.

These proposals, rather than imposing benefit reductions or altering the successful program, would honor Minority Leader Pelosi's ground rule, Hippocrates' oath, "First, do no harm."

Robert Weiner was chief of staff of the House Aging Committee under Chairman Claude Pepper, D-Fla., director of communications of the House Government Operations Committee. He now heads a Washington public affairs think tank.

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