

Opening Statement of Chairman Whitehouse
Senate Budget Committee Hearing: "Social Security Forever: Delivering Benefits and
Protecting Retirement Security"
September 11, 2024

Today's hearing will examine the challenges facing one of our most important government programs, Social Security. Social Security has been a pillar of retirement security for millions of seniors for nearly 90 years, and it continues to be the nation's most effective anti-poverty program. Social Security distributes benefits to nearly 70 million Americans – that's 20% of the US population – and, in 2023, lifted 28 million people out of poverty.

But Social Security is facing a looming solvency problem, and also immediate budgetary issues as it modernizes and improves customer service. We will explore both of these challenges today.

I welcome Social Security Commissioner Martin O'Malley. He has already improved the agency's customer service and benefit delivery. In less than a year, he has reduced wait times for a disability hearing by almost 30 percent, reduced phone call wait times by more than 40 percent, and ensured that more Social Security beneficiaries get their benefits within just two weeks of applying.

The Commissioner will testify about the agency's budget request for Fiscal Year 2025 and how more than a decade of shortfalls made things worse for beneficiaries. Social Security must have the resources to do its work, so I was pleased to see that fully funding SSA is part of the Administration's request for the September continuing resolution.

Our second panel will focus on protecting Social Security forever and strengthening retirement security for all Americans. Rhode Island's own Roger Boudreau is here, a tireless advocate for the state's retirees and pensioners, and will testify about the importance of Social Security in providing a strong foundation for retirement.

Without new revenue, this bedrock of the American retirement system will only cover 83% of benefits beginning in 2035, so it is incumbent upon us in Congress to examine *real* solutions to close the revenue gap and preserve the promise of Social Security for our kids and grandkids. The promise of Social Security is a promise we cannot break.

At last year's State of the Union, President Biden received a standing ovation from Republicans and Democrats alike when he proclaimed that cutting Social Security and Medicare was off the table. As he said that night, "We got unanimity!"

But Republican claims that they don't want to cut benefits don't match their actions.

The current Republican Study Committee budget, representing 80% of House Republicans, proposed cutting \$1.5 trillion of Social Security benefits over the next ten years. It would reduce the benefit formula and raise the retirement age to 69, which would especially hurt low-income retirees.

Let's say Social Security benefit cuts really are off the table. If cuts are truly off the table, then that leaves only one other option to prevent insolvency: raise revenue. *There is no third option.* That means it's time to get to work identifying smart, fair ways to raise revenue, fund the Social Security Trust Fund and preserve benefits.

Fortunately, there are solutions that would both extend Social Security solvency indefinitely with zero benefit cuts *and* make our tax system fairer. Like my Medicare and Social Security Fair Share Act.

Right now, the cap on Social Security contributions means a CEO making \$10 million a year would only pay into Social Security for the first week of the year. A schoolteacher or nurse, however, pays into the program with every single paycheck. That's not fair. My Medicare and Social Security Fair Share Act would fix that by requiring contributions to Social Security on wages above \$400,000.

Further, people living off of non-wage income make no Social Security contributions. That's not fair either, and my bill would also fix that. Those making more than \$400,000 in investment income would contribute just like those who are working.

These reforms raise enough revenue to make Social Security—and Medicare, too—solvent indefinitely, according to the respective actuaries for the two programs.

At the moment, there are no Republican proposals to restore solvency to Social Security while avoiding benefit cuts. The last Republican-sponsored legislation to preserve Social Security's long-term solvency was in 2016 – 8 years ago — and that legislation was 100% benefit cuts. If benefit cuts are now off the table, that's dead. And there is no other Republican bill.

My bill would protect Social Security and Medicare without cutting benefits by making the wealthy pay their fair share. If Republicans want to come up with a proposal that restores solvency while avoiding benefit cuts, I'm all ears. Here's what I think the plan is: run out the clock until insolvency, then when there's a crisis try for a backroom deal where Republicans can secretly negotiate benefit cuts, and then bring them out under cover of bipartisanship.

If that's not the plan, show me a proposal. Americans are watching.