

**SUBMISSION FOR THE COMMITTEE RECORD
ROBERT ROACH, JR.
PRESIDENT OF THE ALLIANCE FOR RETIRED AMERICANS
TESTIMONY BEFORE THE UNITED STATES SENATE
U.S. SENATE COMMITTEE ON THE BUDGET**

HEARING TOPIC:

**“SAVING SOCIAL SECURITY: EXPANDING BENEFITS AND DEMANDING
THE WEALTHY PAY THEIR FAIR SHARE OR CUTTING BENEFITS AND
INCREASING RETIREMENT ANXIETY”**

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Good morning. I am Robert Roach, President of the Alliance for Retired Americans. On behalf of the Alliance, I would like to thank Chairman Bernie Sanders, Ranking Member Lindsey Graham and the distinguished members of this committee for the opportunity to testify and participate in today's important hearing on the topic of Social Security expansion.

The Alliance for Retired Americans is a grassroots organization founded in 2001, and we represent over 4.4 million retirees and senior citizens nationwide. We are headquartered here in Washington, and in partnership with our 39 state chapters, we work to advance public policy that strengthens the health and retirement security of older Americans.

We believe categorically that the importance of improving Social Security cannot be overstated, because the index for determining cost-of-living adjustments has not kept pace with inflation. People on Social Security are suffering and unable to be self-sustaining. We need improvements because older Americans today are hurting.

And I have seen examples for myself firsthand. I have observed on many occasions seniors at the supermarket checkout who had to put food back because the grocery bill was more than they had.

Seniors are having to make decisions between food and medicine on a daily basis. These are just a few of the many examples that clearly underline our country's desperate need to expand Social Security benefits.

This is also an issue that is already affecting the next generation. Thousands of family members are unable to go to college, further their careers or fulfill their dreams because they have to take care of older relatives who are unable to make ends meet without an expansion of their Social Security benefits.

Ms. Kristina Brown spoke eloquently on behalf of young caregivers as a Yale University medical student in 2019, when she testified in front of the House Ways & Means Committee.

She said, "Caregiving fuels generational poverty, disproportionately affecting millennials and women who take on that role in their families. People like my sister and me, who begin caregiving as first-time job-seekers or students, may face significant employment challenges."

Given the decline of traditional pension plans and the inability to accumulate retirement savings because of stagnant real wages, greater numbers of Americans rely on Social Security in retirement. In fact, nearly 50% of retired Americans today rely on Social Security for half of their income, while one in seven over the age of 65 do so for 90% of their income.

Moreover, Social Security benefits are not keeping up with inflation. The Social Security cost-of-living adjustment is inadequate and not representative of the true measure of inflation that seniors face in what they buy.

As of April, the average monthly Social Security benefit for a retired worker was a modest \$1,666.

And as we saw in the Social Security and Medicare Trustees Reports released just last week, Social Security will be able to afford scheduled payments until 2034, at which point the fund's reserves will be depleted, and payroll taxes will cover just 77% of benefits owed.

Nearly 65.2 million people receive monthly Social Security benefits in 2022; 50.1 million of them are retirees.

Senator Sanders' legislation, the Social Security Expansion Act, which the Alliance strongly supports and is proud to have formally endorsed, addresses these challenges by doing the following:

- **Extending the solvency of Social Security** by requiring the wealthiest American households to pay their fair share of Social Security taxes;
- **Expanding Social Security benefits across-the-board;**
- **Increasing Cost-Of-Living-Adjustments** by adopting the Consumer Price Index for the Elderly (CPI-E);
- **Updating the Special Minimum Benefit for Social Security recipients** by making it easier to qualify, assisting low-income workers to stay out of poverty

The Alliance has also proudly endorsed Connecticut Congressman John Larson's legislation in the House, H.R. 5723, Social Security 2100: A Sacred Trust Act, which also makes Social Security even stronger and repeals the Windfall Elimination Provision and Government Pension Offset, both of which unfairly claw back the Social Security benefits of

workers or their spouses or survivors if they worked for a period of time in jobs not covered by Social Security.

WEP affects nearly 2 million public sector retirees with public pensions, and the GPO reduces by 2/3 the spousal or survivor benefits of nearly 800,000 retirees who collect a public pension.

This year's Social Security Trust Fund report announced that Social Security has an accumulated surplus of approximately \$2.85 trillion.

The time to expand Social Security is now.

The Alliance strongly believes that expanding and strengthening Social Security is of tremendous benefit to our nation's domestic economy as well. Social Security beneficiaries generally spend their earned benefits immediately in their local community, at the grocery store, gas station or local restaurants, a fact substantiated by a study conducted by AARP that found that every dollar of Social Security benefits generates approximately \$2 of economic impact, doubling the return on taxpayer investment.

Moreover, Social Security dollars generate millions of jobs and hundreds of billions of dollars in salaries, wages and other compensation, altogether creating trillions in total economic output. Additionally, Social Security adds billions of dollars to local, state and federal government tax revenue. In fact, according to researchers at AARP, it is estimated that in 2016 Social Security benefits amounted to 5% of our nation's Gross Domestic Product (GDP), and that by 2035 Social Security benefits are projected to be 6%. Indisputably, these favorable economic impacts on local communities would be even larger if Social Security's benefits were expanded further.

Lastly, the Alliance for Retired Americans stands in strong opposition to the Time to Rescue United States' Trusts (TRUST) Act, introduced by Senator Mitt Romney (R-UT). This legislation, which would set up committees misleadingly called "Rescue Committees," would deliberate likely substantive changes to Social Security and Medicare behind closed doors without public hearings, nor require input from the program's congressional committees of jurisdiction such as the Senate Committee on Finance or the House Committee on Ways & Means. These pernicious committees envisioned in the TRUST Act could consider dramatic changes to Social Security and Medicare and

outright dismantle these essential programs by legislating benefit cuts, changing eligibility age, means testing benefits, or raising taxes on working Americans.

Each Rescue Committee's report, which can be approved by a simple majority vote of its members, would become a bill and sent to the House and Senate committees of jurisdiction. Thereafter, these committees could review the bill but not amend it, and it would then go to the House and Senate floors for an up or down majority vote. The Alliance strongly believes that there is absolutely no justification for secret committees to provide political cover for Congress to cut Social Security benefits.

Evidently, there is no need to cut a program that has saved retirees from poverty for over 85 years, one which former President Roosevelt was inspired to establish to prevent 50% of America's seniors from becoming destitute. At the present time, with Social Security benefits, the average beneficiary today receives just over \$1,600 per month or about \$19,000 per year, without which, nearly 40% of America's seniors would fall into poverty. Eviscerating Social Security is entirely unacceptable to do to our own family members and to all Americans who depend on this invaluable program.

I thank the committee once again for inviting the Alliance to participate in today's hearing.

What follows is Ms. Katrina Brown's testimony from a November, 2019 full committee hearing in the House Ways & Means Committee entitled “Caring for Aging Americans.”

Hearing Link:

<https://waysandmeans.house.gov/legislation/hearings/caring-aging-americans>

Kristina Brown's Testimony Link:

https://waysandmeans.house.gov/sites/democrats.waysandmeans.house.gov/files/documents/Kristina%20Brown_Testimony.pdf