



# Leadership Council of Aging Organizations

December 8, 2009

Re: *Proposed Bipartisan Task Force for Responsible Fiscal Action*

Dear Representative:

The Leadership Council of Aging Organizations (LCAO) is a coalition of national not-for-profit organizations focused on the well-being of America's 87 million older adults. Today, we write to you and your colleagues regarding recent efforts to create a commission that would force changes to entitlement programs, among other things, through the use of a Congressional fast-track procedure. We firmly believe that Congress, through its regular legislative process, is best suited to consider and address any changes to these programs. While we have additional concerns regarding the use of such a commission on Medicare, Medicaid, Supplemental Security Income, community service and federal civilian and military retirement programs, this letter is directly focused on Social Security. The LCAO will be sending, under separate cover, a letter devoted to expressing its concerns with the impact a fast-tracked commission would have on Medicare and Medicaid.

Last month's Budget Committee hearing on *Bipartisan Process Proposals for Long-Term Fiscal Stability* considered the creation of a commission that would be tasked with addressing rising federal debt by "closing the gap between tax revenue coming in and the larger cost of paying for Social Security, Medicare and Medicaid benefits." This is a weighty responsibility, requiring careful review of these critical social programs on which so many depend. But there is no guarantee that the members of this commission would have the necessary expertise to conduct such an intensive review. Our concern is that their recommendations, nonetheless, would be forced through Congress, without amendment(s), under extremely short timelines and with no opportunity to debate individual issues or consult with constituents.

In addition to our objections about the proposed commission process, we are concerned that its mission would imply that Social Security has somehow contributed to the nation's economic woes. Social Security is not a part of the deficit problem nor is it part of an "entitlement crisis." Its cost is projected to consume only 6.2% of GDP by 2030 and to remain slightly below that level for 50 more years.<sup>1</sup> In fact, the 2009 Annual Report of the Board of Trustees pointed out that Social Security ran a surplus of \$180 billion last year and had accumulated a reserve of \$2.4 trillion. The most recent projections of the Congressional Budget Office forecast that Social Security will continue to pay full benefits until 2043.

Moreover, Social Security, with its dependable, guaranteed benefits, is the very program that helped us most recently avoid a 1930s-style depression. Even as the banking and financial systems threatened to collapse, Social Security continued to provide a reliable economic lifeline to millions of children, disabled workers, retired workers, and spouses (including widowed and divorced spouses) dependent on those benefits. These benefits helped to offset lost earnings and stimulated

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<sup>1</sup> Virginia Reno (2008). Building on Social Security's Success. *EPI Briefing Paper # 208*. (March 3, 2008), <http://www.epi.org/publications/entry/bp208>.

the economy by maintaining purchasing power. According to a recent study by the National Academy of Social Insurance and the Benenson Strategy Group, nearly nine in ten (88%) Americans say Social Security is more important than ever as a result of today's economic crisis.<sup>2</sup>

Social Security remains the bedrock of retirement security for over 33 million older Americans: On average, households with Social Security beneficiaries age 65 and older received about 64 percent of their income from the program in 2006 (Social Security Administration 2009b: Table 9.A1). Additionally, Social Security provides a lifeline to 4.1 million children, 7.7 million disabled workers, 2.4 million spouses or divorced spouses of retired workers and 4.4 million surviving spouses.

The importance and value of Social Security to so many Americans demands that proposals to change the program be given the due weight, consideration and debate from Congress that they deserve. With this in mind, the undersigned members of the LCAO oppose the creation of a fast-track entitlements commission.

Sincerely,

AFL-CIO  
AFSCME Retirees  
Alliance for Retired Americans  
American Association of Homes and Services for the Aging  
American Society on Aging  
Association of Jewish Aging Services of North America  
B'Nai B'Rith International  
Center for Medicare Advocacy, Inc.  
Gray Panthers  
International Union, United Automobile, Aerospace & Agricultural Implement Workers of America, UAW  
Military Officers Association of America  
National Academy of Elder Law Attorneys  
National Active and Retired Federal Employees Association  
National Alliance for Caregiving  
National Asian Pacific Center on Aging  
National Association of Area Agencies on Aging  
National Association of Professional Geriatric Care Managers  
National Caucus and Center on Black Aged, Inc.  
National Committee to Preserve Social Security and Medicare  
National Council on Aging  
National Senior Citizens Law Center  
NCCNHR: The National Consumer Voice for Quality Long-Term Care  
OWL, The Voice of Midlife and Older Women  
Service Employees International Union  
The Jewish Federations of North America  
Volunteers of America  
Wider Opportunities For Women

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<sup>2</sup> Reno, Virginia P. and Joni Lavery (2009). *Economic Crisis Fuels Support for Social Security: Americans' Views on Social Security*, Washington, DC: National Academy of Social Insurance, August.