THE BROOKINGS INSTITUTION

FALK AUDITORIUM

RESTORING SOCIAL SECURITY SOLVENCY AND REDUCING ELDERLY POVERTY

Wednesday, June 24, 2026

This is an automated transcript that has been minimally reviewed. Please check against the recording for accuracy. If you find any significant errors of substance, please let us know at events@brookings.edu.

WELCOME AND INTRODUCTION

WENDELL PRIMUS
Visiting Fellow, Retirement Security Project, Brookings

HILL PANEL

THE HON. LARRY BUCSHON (R-IND.)
Former Member, U.S. House of Representatives

THE HON. TOM DOWNEY (D-N.Y.)
Former Member, U.S. House of Representatives

THE HON. RICHARD GEPHARDT (D-MO.)
Former Majority Leader, U.S. House of Representatives

THE HON. JIM MCCRERY (R-LA.)
Former Ranking Member, Ways and Means Committee,
U.S. House of Representatives

MODERATOR: DAVID WESSEL
Senior Fellow and Director, Hutchins Center on Fiscal and Monetary Policy,
Brookings

ADMINISTRATIVE ISSUES AT THE SOCIAL SECURITY ADMINISTRATION

DEVIN O'CONNOR
Senior Fellow, Center on Budget and Policy Priorities

PRESENTATION ON ELDERLY POVERTY PLAN

JACK A. SMALLIGAN
Senior Policy Fellow, Urban Institute

STAKEHOLDER PANEL

NEIL BRADLEY
Executive Vice President, Chief Policy Officer, and Head of Strategic Advocacy,
U.S. Chamber of Commerce

LEE GOLDBERG
Health Policy Analyst, AFL-CIO

JESSICA JOHNSTON
Senior Strategist, for Economic Well-Being, National Council on Aging

BILL SWEENEY
Senior Vice President, Government Affairs, AARP

MODERATOR: AMY GOLDSTEIN
Visiting Fellow, Economic Studies, Brookings

CLOSING REMARKS

JACK LEW
Professor of International and Public Affairs,
Columbia University School of International and Public Affairs
Former Managing Trustee as 76th Secretary of the Treasury,
Social Security Board of Trustees

* * * * *

PRIMUS: Thank you, everybody. I wanna welcome you to what I hope will be a fascinating discussion about how we restore solvency to our most important program, Social Security. I don't need to tell you how important Social Security is, but I will anyway. There are seventy-one million Americans receiving Social Security benefits. Everybody whose work pays Social Security taxes, except for a handful, about four or 5% of workers who are employed by state and local governments that are still excluded from the Social Security program, or they vote not to exclude. Those seventy-one million, there's about eight million disability beneficiaries, about 7.3 actual individuals who are disabled, 56 re- million retirees, and six million survivors.

And the program takes about 1.1 million children out of poverty and about 17 million elderly out of poverty. And the issue is: How do we restore solvency? And the slide here that just came from the trustees' report showed that our deficit grew from 3.8% of taxable payroll to 4.4. So what does that really mean? Today, the Social Security tax is 12.4. If you wanted to solve it completely on the tax side, you would have to take that 12.4% rate up to 16.8. That's what it means to have a deficit of 4.4. And the biggest change there, as you can see from that slide, was the chief actuary took the fertility rate from 1.9 to 1.75.

And then the big beautiful bill, which Mr. Trump said wouldn't hurt Social Security one iota, but it took $169 billion less taxation revenues into the program, and that's causes that second line there. And so we have a deficit, an increased deficit of .6 percentage points of payroll. So to fix the problem, you either have to raise taxes by about a third, Or reduce benefits by about a quarter or some combination of the two. And that's, I think, what it's gonna take to get there. I'm a strong believer in trust funds, and right now the trust funds are being depleted, meaning the benefits are exceeding the revenues that are going into the trust funds. But those trust funds have to be replenished in some way because if they're not, in 2032, there'll be about a 22% cut in benefits across the board.

There's some argument about whether it could be another way, but the point is, benefits are gonna be, have to be cut substantially, and I think that's not gonna happen. I think there will, that will get eventually Congress to act. And we, to make these shortfalls pro- comparable over years, we often scale those as a percent of taxable payroll. The next slide here is Social Security is really a wage replacement program. So someone who's a middle earner, if you will, has a replacement rate of about 38%. Someone with low earnings has about a 48% replacement rate, and someone with the very high earnings has about a 30%. So it is a wage replacement program.

But also, those replacement rates increase if there are children. If a disabled person has children it's not just his own benefit, but that benefit is added to because of the children that are present. This next slide I think is sometimes having worked for Congress for almost four decades, it's hard to get Congress to focus on the different choices that they have. I think getting to 75 years of solvency in Social Security and 25 years in Medicare is very important because it would do one other thing. It would make a big down payment on our deficit if it was done by not borrowing, but actually doing tax increases or future benefit reductions. I do not believe increasing Social Security benefits substantially.

There are many Democrats on the Hill, though, that would argue with me. There are some that are arguing for a 200 a month benefit increase and I think it's hard to do that as well as restore solvency. I put a much higher priority on reducing Medicare premiums. We're making our elderly pay much more in premiums than the same level of income person in the marketplace. I believe we ought to cap the out-of-pocket spending for Medicare 'cause it forces many Medicare beneficiaries to go out and buy Medigap insurance. I'm less of a believer in dental, vision, and hearing, but the point here is that's a long list And you probably can't do them all, and you've gotta pick which of those priorities are most important.

Right now, the two parties are far apart. The Ds don't want any benefit reduction. They want all tax increases, at least that's the bills on the Hill. Trump says he doesn't want any benefit reductions either. And then we have some of our friends on the right, Cato, Andrew Biggs two doors down at AEI, and the Progressive Policy Institute, that thinks we ought to change Social Security pretty radically and make it a flat benefit program. So I thought it made more sense to do a centrist approach, a balance between future benefit reductions and tax increases to show that there was a middle ground, and hopefully at some point probably after the next president is elected to get to solvency. The next slide just shows you what I consider to be the important principles, solvency being the most important.

I don't think there should be any general fund financing. And what do I mean by that? I think it all ought to be dedicated taxes. And I know a lot of my friends here at Brookings thinks we're gonna have to do a lot of borrowing to solve this problem. I would like to actually do it by a combination of benefit reductions and tax increases. Although to make up twenty-two percent by twenty thirty-two, we probably can't do that. We're gonna have to borrow some monies to make it, because that's too much of a change, I think, to effectuate in that short a time period. I wanna clearly maintain the bipartisan nature of the program.

No benefit reductions for current beneficiaries. The other two, increasing the progressivity a bit and increasing risk protection are probably less important. This next slide I consider to be very important. I forced I don't know if Steve Goss would agree with me, to produce this table. And what it shows, that second row, if you will. So if you look at males born in 1960, that by definition turn 62 in 2022, if you're a male in the bottom quintile of career earnings, you live on average 15 years beyond age 62. If you're in the top quintile of male earners, you live 25.6 years on average, a 10.3 year spread. And that's what I think's caused me to say we can increase the retirement age, but only at the top, and then phased in during the fourth quintile."

The pattern is similar for females. It isn't quite as pronounced, 6.4 years not 10.3. So I'm not gonna go through all 16 provisions of the plan but here's a few of them. Taking the taxable max, which is now at about 82, 83%, and basically doubling it over a period of 10 years or so raises 0.66% of taxable payroll, remember, we need 4.4 total if we wanted to get it completely solved. I upped the retirement age by three years in the top quintile, but notice in the first 10 years, it almost raises no money because I think you've gotta phase in those benefit reductions much more slowly than you do the tax increases. I increased the years in the formula from 35 to 40.

I place all taxation proceeds into OASI. The other thing which I consider myself the most innovative was doing grandparent assistance. We have two million grandparents in this country that are raising grandchildren, probably because the middle generation has an addiction problem of some kind. They're providing over half the support to those children. I think they should be congratulated for stepping up to the plate. And so I provide a child benefit to grandparents who are providing over half the support. I make a DI change, which I'm not gonna go into. The other thing, I eliminate retiree child benefits. My friends in the front row here remember Jim Corman and Pete Stark marrying younger women, having children at a very old age.

Basically childbearing is basically done by age forty-three or forty-four. But, if you're gonna have a child at age fifty-five or sixty, why should your Social Security check be increased as it is today? And you can see in that second column if we got rid of it immediately, it's, we spend seventy-five billion dollars on children during that mechanism, and I think there's many better ways to spend seventy-five billion on children. I restore the student benefit that was taken away, I think in '81 or '82. And probably the most controversial is universal coverage and the immigration provisions. I'm very proud of the fact that 20 former members, 10 Rs and 10 Ds, basically wrote a letter to Congress saying, "We think this is the place you ought to start negotiations from, and you also ought to reduce elderly poverty while you're at it."

And you'll notice that I only got to 3.5, and right now CBO thinks the deficit is 4.7. I've talked to them. When they come out with a new estimate in a couple weeks, I suspect that's gonna be around five percentage points of taxable payroll. And you can get there if you increase that maximum ceiling to 92, if you increase the tax rate a bit more. You could also maybe raise the retirement age more than three years. But I think it's very important to get there. I don't think insufficient funding should result in substantial changes. This program has worked well. I don't think we should move to a flat benefit.

And then how to get it done, Bill Hoagland, who's sitting back there, and I wrote an editorial. I know Tom may disagree with me a bit, but I think we ought to copy George H.W. Bush in the 1990 summit. That worked well. You had the chairman and ranking member of the three money committees, both houses, both party, the leadership from both. They had to keep track of what their rank and file members were willing to agree to. And I think with some hiccups, that resulted in about five hundred billion dollars of changes. And I think when our new president, whoever that may be, gets elected, I would urge that same process, if you will get followed.

So the plan for today is, the next panel is gonna be moderated by my colleague Dave Wessel. It's going to include three members who signed that letter and one who didn't, who was an Energy and Commerce Committee member et cetera. Then we're gonna have a report on what it means to Social Security of having 8,000 fewer employees. We'll take a break and then Jack Smalligan, my co-author on both of these papers, will talk about how to reduce elderly poverty. And then we'll have a stakeholder panel. And then we'll conclude and make some concluding remarks from my friend Jack Lew. So that's our plan.

And as this first panel comes up to the podium, so the first panel can start coming. I just wanna give a special shout-out to Tom Downey, who really helped corral some other Ways and Means members, and also Jim McCrery who was very helpful in getting some of his former Republican members to sign the letter. I also want to give a shout-out to Bill Hoagland for helping me in that process. So with that: Dave, it's all yours. David.

WESSEL: Thank you very much, Wendell. So I think what this is about today is a testament to Wendell's depending on what you think, dedication or stubbornness. Wendell is convinced that if you can show Democrats and Republicans that there's a way to fix Social Security that they ought to be able to agree on, that will help soften the ground for the eventual solution. Because Wendell has chits with every former member of Congress, we have a really distinguished panel here today, which represents a total of 73 years of service in the House of Representatives, spanning from 1975, when Tom Downey was a young member of Congress from New York, to Larry Bucshon, who managed to stick with it until 2025. Dick Gephardt, of course, is a former House majority leader and Senate minority leader, and he reminded me that Brookings has a strong connection to St. Louis, where he's from, because Robert S. Brookings, who founded this institution, was also instrumental in founding Washington University in St. Louis. Jim McCrery was, he was supposed to be the chairman of Ways and Means, but then the Republicans lost the House, so he got to be ranking member.

MCCRERY: There's a little difference.

WESSEL: What? There's a difference. Is there a difference? We can get into that, yeah. Tom Downey was a member of the Armed Services Committee, the Budget Committee, and Ways and Means. And Larry Bucshon which I've never been able to understand how you can go from being a, what is it, a a cardiothoracic surgeon to running, to going to the House of Representatives as a member of Energy and Commerce. And all four of these distinguished former members of Congress are still involved very much in Washington and policy things.

So I'm hoping we can get some wisdom from them because wisdom seems to be in a bit short supply in the Capitol these days. Mr. Gephardt, let me start with you. So as Wendell said, the actuaries now say the Social Security Trust Fund will run dry in 2032. That means that members of Congress, members of the Senate who are elected this year will be in office when the trust fund runs dry seven years away. Do you think this deadline is sufficient to get Democrats and Republicans and the White House to actually do something?

GEPHARDT: I hope so, but I'm very skeptical that the world we're in today will allow that to happen. Why do I say that? I say that because I think our information environment in America today is corrupted by the way the social media platforms operate, which is dividing and polarizing our people almost as much as we were polarized in 1860. How do we deal with that?

Because dealing with Social Security is the third rail of politics. It is the toughest issue for representatives and senators to address because it's politically dangerous. I saw a picture, incidentally, I think yesterday, and I think one of the Wall Street Journal or one of them, that had the picture of Ronald Reagan signing the Social Security Bill in 1983, and Tip O'Neill was leaning down to talk to the president. The others in the photo were Bob Dole, Danny Rostenkowski, Jake Pickle, and who was the... who was the really old person who was in Congress?

DOWNEY: Claude Pepper

WESSEL: Claude Pepper.

GEPHARDT: Claude Pepper. He was the advocate for senior citizens, right? He was the embodiment of senior citizens. That was in a time, like when all of us were there, that people actually liked one another, respected one another, could work with one another to reach very difficult compromises, which is the only way you get anything done in a self-governance system

My worry is that the addictive algorithms, it's really AI, of the social media platforms is making people outraged and hateful and polarized. Congress is a reflection of the American people. If the people are polarized, Congress is polarized. And that's why I'm worried that we cannot, in the years ahead, and it needs to be done quickly, as Wendell so well pointed out, deal with the third rail of politics with Social Security. I hope I'm wrong. I'm part of a number of efforts to try to make the information environment more healthy. We can get into that if you're interested in that. You probably aren't. But we've got to deal with that part of it in order to deal with this part of it.

WESSEL: So Mr. McCrery, are you as optimistic as Congressman Gephardt? Do you see any sign that maybe we could have leadership from our elected representatives and not just have them reflect our worst instincts?

MCCRERY: I am more optimistic than my good friend, Mr. Gephardt.

WESSEL: That's good, because if you went the other way, we would just call it off.

MCCRERY: I don't know where all of you are from or what your philosophies are, but how many of you are very satisfied with the atmosphere in Congress today? Raise your hand. Okay. That's why I'm a little bit optimistic, because I suspect that this audience is a general reflection of our society. And when I go to the grocery store or playing golf with some of my friends, nobody likes what's going on in DC. They think it's shameful, pitiful that people, Republicans and Democrats, can't work together. So eventually, I'm hopeful that general dissatisfaction that I hear every day from ordinary people will manifest itself in votes and in demands for candidates to be civil to be respectful of their opponents and work together.

WESSEL: But do you think our current system, the primaries and all that, is bringing forth those kind of candidates right now?

MCCRERY: Not yet. That's why I say people have, people have to get-

WESSEL: Before 2032, before the Social Security system runs dry or after?

MCCRERY: I hope before, but it's admittedly it's gonna be a slow process, I think. But I am hopeful it'll take place.

WESSEL: So Mr. Downey, what do you think it would take to break this logjam? Mr. Gephardt says that Social Security is the third rail. That's well-known in Washington. But on the other hand we've had moments in the past where the urgency of dealing with Social Security running dry or anxiety about the federal deficit was addressed through saying... I think there was a Clinton thing, save Social Security first. So what do you think would it needs to happen in order to get something to go beyond trading slogans?

DOWNEY: The, what Dick said is true about the public perception of the Congress these days and what members face, but I'm a little more optimistic for the following reasons. There's a reason Social Security is the third rail of American politics. As Wendell pointed out, there's 71 million people receiving benefits. The idea that you're gonna get a $500 a month reduction in those benefits come the year 2032 should focus everyone's mind and will.

And there are some, I'm afraid I'm gonna get a lot of people nodding their heads, not in favor of this idea. There are some tried and true methods of getting members of Congress to do things that they should do, that they don't want to do. 1983 was a good example of that. The Greenspan Commission started in '82. It brought together the leaders of both the House and the Senate, and prominent economists, and Claude Pepper and other advocates for the aging. And we actually solved the short-term problem and created the trust fund for the long term that we are currently now still living with. So it can be done with a commission. I think that's an idea to think about.

And so what is another way for a member of Congress to get some cover to do the things that need to be done that they don't wanna do? The Base Closing Commission, if you remember that, also set up a commission of people. Members of Congress didn't wanna close anybody's base because even, and they, we realized we were wasting a lot of money after the Cold War on bases that were unnecessary, and we had to protect ourselves from ourselves. So we set up this system where a group of presumably knowledgeable people would come up with a series of bases that would be cut, would be eliminated, and the Congress had a choice of voting that up or down. So even if you had a base in your district you voted to maybe cut it because you realized everybody else was getting cut, or if you didn't have a base, this was a way to cut. So there are ways to protect politicians even today.

Let me just say one thing about Social Security. Dick and I, and to a less, lesser extent Joel, had to deal with a thing called the notch, which was a overpayment that Social Security made. And I cannot tell you how many charts and graphs I used to try and explain how the fact is that the people in 1926 were not getting screwed or the people in born in 1927 weren't getting screwed. But this process of education is also critically important for people to understand what's at stake. And here are the Democrats, and to the extent to which Republicans can do that during hearings, which I assume if we control the House of Representatives, we'll have to spend a lot of time explaining to people just what's at stake and how we can fix this problem.

And here I'm a little more optimistic about this than Dick might be, because I know that if I'm a member sitting around thinking, "Ah, what am I gonna say to people if we don't fix this?" We need a, we need a path out. This commission may seem like a good idea. I believe that Suozzi, who is a member of the Problem Solvers Caucus, along with one of the other Republican members, Cole, I believe it is, Tom Cole, have come up with this idea. So I think it can be done. I don't think it's going to be easy. Education plays an enormous role here, and it's not just members of Congress with charts. It's hearings, it's the regular order, and it's also a group of outside people who are concerned making sure that their voices are heard as well.

WESSEL: I get a little nervous about saying we're gonna have another Greenspan commission, given that was forty-three years ago, and it's hard to find another commission that dealt with spending and taxes that worked. It's not encouraging.

MCCRERY: Andrews Air Force Base.

WESSEL: I'll get to that in a minute. Yeah. Okay. That's a different, that's the --

MCCRERY: That was since Greenspan, though.

WESSEL: Yeah. That's true. That wasn't a commission. That was very different. It brought the people...

MCCRERY: Yeah. It was.

WESSEL: And in fact, the '83 thing, if it hadn't been for Ronald Reagan and Tip O'Neill, I'm not sure it would have succeeded. But Dr. Bucshon, so where are you on this spectrum of what do we do to get... Look, everybody knows the budget is on an unsustainable course. Everybody knows that we're not really gonna cut Social Security benefits in 2032. So either we fix the problem or, as Jack Smalligan says, we buy a year by taking money out of the disability trust fund, or as some of my colleagues here think Congress has lost any sense of nerve and will just borrow more money and do it that way. How do you think we can get a better solution than the ones I just mentioned?

BUCSHON: Having most recently been in Congress, let me tell you, there's-

WESSEL: God bless you.

BUCSHON: Yeah. Thank you. There's great people on both sides of the aisle that wanna solve this problem, so I have some level of optimism. But I'm gonna take a bigger picture approach here. And I agree with what's been said.

The Congress is a reflection of the American people, but it's also a reflection of our current congressional districts. And when you have 85 percent or roughly of congressional districts that are not politically competitive, it puts you in a really tough spot. I was in a... I'm a right of center person, but my district went from R2 to R19, and as that happened over my career, did it change my voting? Somewhat. Did it change my rhetoric? Of course. But I think, I want to take a bigger picture approach. I think that we're gonna have to address in some way the lack of competitive nature, I'm speaking in the House side. I don't know how you do that. Districting is an inherently political process. It has been throughout the history of our country. But the American people are gonna have to get together and figure out how we get people who are not, good people on both sides who are in congressional districts that just cannot do the things that they know need to be done. So that's a bigger picture.

I'm optimistic to a certain extent But I honestly think that it may come down to, we may have to be on the precipice of forced benefit cuts at some point for Congress to actually take action. And the way Congress is currently made up with the lack of what I'll call more centrist coalition between two parties that can get the votes to move things along.

WESSEL: So whether or not benefits would actually be cut and there's some dispute about which law prevails, you think that basically it takes a crisis and then people get their act together?

BUCSHON: It might.

WESSEL: Yeah.

BUCSHON: I don't know if that will be-- the budget's another example, right? We had, we've had commissions on the budget to try to decide what to do. In fact, when I was in Congress, I'm trying to remember, it was Simpson-Bowles I think, came up and it failed in the House.

WESSEL: Right.

BUCSHON: And could that happen, again? Hard to know. I think the information that comes out of those is really important to educate the American people on the facts. Absolutely. Can you, in Congress in its current form, get the votes in an up or down vote? I don't know.

WESSEL: Yeah. Mr. McCrery, talk a little bit about the 1990 summit that, that Wendell mentioned.

So for, since some of the people in the audience probably weren't alive then, we have to-- it's a bit humbling here to, I was gonna ask, when you asked the question about how many people think, I was gonna ask how many people are already receiving Social Security, but I didn't really wanna hear the answers, so I didn't ask. But so that was not regular order. They, it was orchestrated by the leadership of Congress, not, they didn't use some outside people. The White House, Dick Darman all was involved, and they went and and sequestered themselves to Andrew Air Force Base and came up with a deal which had a significant effect on reducing the trajectory of the federal debt.

Do you think that's the best? And Hoagland and Primus think that's the only way to go. No commissions, no ways and means hearings. Let's just do it that way. Do you agree? And if so, why? And if not, why not?

MCCRERY: I don't necessarily agree because I think either a commission or a summit like Andrews Air Force Base could work to put together a plan that has some tax increases and some benefit cuts, and that's the only way, outside of just allowing general revenues to make up the difference to fix this problem. So I, I would be happy with a commission. I'd be happy with a summit. Summit I think would be better because you've got the actual leaders in the room, Democrat and Republican leaders in the room, presumably with the White House. Probably not this White House, but--

WESSEL: I think you're probably right about that

MCCRERY: I think I think a summit would be preferable, but I would take a commission if we could get one.

WESSEL: Do you want to say something? Because I want to ask you another question.

GEPHARDT: I've got to bore you with a little bit of the 1990 history. So George H.W. Bush is president. He's worried about the deficit that had been created in the eight years before he became president. He called the leadership, and I was part of that, to the White House five times and asked us to participate in a budget summit to get rid of the deficit or at least to start getting rid of the deficit. We said, "Great, we agree. Is everything on the table?" He said, "Everything but taxes," "Because I gave a speech when I got nominated in Houston and I said, 'Read my lips, no new taxes.'" We said, "We understand. We don't know what the solutions will be, but we can't do this unless everything's on the table."

Fifth meeting is in the Oval. Dinner. And he looks at us and he says, "Okay, I get the joke." "We're putting everything on the table." And he hands a press release to Marlin Fitzwater, his press guy, which says, "Everything's on the table." So we go out in the back to get, wait for the cars to pick us up to take us back to the Hill, and Bush is standing next to me and he's going foot to foot and I said, "Mr. President, what's wrong?" He said, "The fat's in the fire." I cite that story always. That's leadership.

MCCRERY: Exactly.

GEPHARDT: Leadership is taken on your own side, not the other side. And so we engaged then in eight months of negotiation. We had all the chairmans, all the chairman of all the committees, all the ranking members. It went on for eight months, and we weren't getting it done. And so we said to one another, "We gotta get people off the campus."

Press is coming up and saying, "We hear you're gonna cut Medicare. Would you vote to cut?" "Oh, I'd never do that." We're not gonna have any votes for anything. So we went to Andrews for eight, nine, I don't know how many days. I had 10 hot fudge sundaes with Bob Dole. I think I gained 10 pounds. And we finally got it done.

And then we go out on the floor to pass it, and Newt Gingrich, who was my counterpart, was on the Hill when we announced the deal in the Rose Garden saying, "No Republican should vote for this because it's a horrible package." And I said to Dick Durbin, "I'm supposed to produce half the votes. He's supposed to produce half the votes. How's this gonna work?" He said, "Well-" He frankly lied to the President. So you gotta do your best. So we went out on the floor and we lost. All this work, we lost.

MCCRERY: Yep.

GEPHARDT: So I went back to Darman and I said, "Look, give me a few more cuts in defense. Maybe I can get more of my left folks in the party to come onto the package." They did. We got it passed by one vote. That's how hard this is.

This is self-government, and it takes leadership from the president to begin with, and from members and leaders in Congress behind that leadership to get it done. So you're exactly right. This can be done in a number of ways, and I agree with everything my colleagues have said. But at the end of the day, to overcome the problem we are in, it's gonna take courageous leadership.

And let me just say one last thing to add to my pessimism. I'm the pessimist here. Do you hear anything today about the federal deficit? Does any member of Congress mention the world, the term the back debt of the United States? Do you know what it is today? It's almost $40 trillion and nobody even brings it up. So if you ask me what the answer is on Social Security, I agree with everything that's been said. I think the natural inclination will be, "Let's just borrow some more money. It doesn't make a damn bit of difference anyway." That's the problem. People have to lead.

WESSEL: Congressman Downey, if you were advising someone running for the House today, would you advise them to give the Gephardt speech and say, "I'm gonna lead, and I'm gonna fix this debt, so your grandchildren don't have to worry about it. But we're gonna- we're gonna have to do some belt-tightening, and to be clear, as Wendell makes, we're not cutting anybody's Social Security benefits who's getting it today. It's all in the future." What would you advise a candidate to do?

DOWNEY: Can I just, I just want to recognize Bob Greenstein and Henry Aaron who are here, who are great heroes of mine, and the idea that I'm actually talking to them and giving them my wisdom is hard for me to appreciate. Also Jack Lew. So brace yourself.

So what I actually told a guy who's running for Congress to say is, on Social Security, say, " this is the sort of vanity opportunity for Donald Trump." You, you could say to Trump, "You could be the savior of Social Security, and we'll allow. We'll call these taxes tariffs. And, and we will also put a bronze statue of you in front of every Social Security office in America, making sure that you're remembered." And I chose bronze because as it weathers, it turns green, and it would remind us of the reflecting pool. But I would urge a member of Congress to say, "We got a real problem here that's coming up, and let me tell you what it is, and here's an idea for me to fix it, for us to fix it."

Because the Republicans are not gonna have a plan to fix it. And we have six years here, but we really don't have six years. We have to think-- because the, as you all know or if you don't or you're about to, that you can't use the reconciliation process to fix it with a simple majority. You need 60 senators to pass this. And the way you get 60 senators is maybe more like a commission or what Dick had to put up with in 1990. This time is not long enough or probably appropriate to tell you my George Bush in the House steam room story, but, about this very thing. But it, it is it is an issue that if we want to use it as partisan advantage, which I would urge, the House becomes Democratic in 2029-- in 2027. I would make sure that this was an early portion of what they say we need to do.

And I will spare the audience my explanation of how we fix the House of Representatives and gerrymandering by taking it away from the states, by increasing the size of the House, by having multi-member districts and allowing multiple parties. And for that, you should read Lee Drutman, who is the past knowledgeable guy about how to fix the House. That's the only way institutionally you're gonna change the place, given all that Dick has said. But this is an issue that can work, and because it can work it, it has a resolution.

WESSEL: Interesting. Dr. Bucshon, one of the points that Wendell made is that life expectancy has gone up, and that leads a lot of people to say that we ought to raise the retirement age or the, whatever the normal retirement age, whatever they call it. But it's been, life expectancy has gone up a lot more for higher income than lower income people. So I'm curious how, what you think about his approach, raise the retirement age but only for high-wage earners, and is this a problem that we should be addressing in some other way besides tweaking Social Security?

BUCSHON: Let me say, the data on the life expectancy from a medical standpoint's kind of appalling, isn't it? If anyone look at that data and say, "How can that happen in a country where we have a great healthcare system that maybe people don't have access to in many cases, and also we pay for in a very disjointed and difficult way?" So just from a medical standpoint, those numbers are pretty shocking. It'd be nice if we could also, outside of this, start to address that situation; it would narrow, narrow that a little bit.

That said, I think we have to recognize the fact that Social Security was, why it was created and what it is thought to be in its current form, right? I grew up, my dad was a United Mine Worker. He was a coal miner in an underground coal mine. My mom was a nurse. My dad felt like Social Security and his miner's pension was gonna get him through when he retired and as it turns out, that wasn't true. And so they, consistent with 80% of the American people today, or 70%, the amount of retirement savings and the amount of focus that we have on retirement savings is a challenge for 70 or 80% of the American people. They don't have any resources.

So, I think we, the narrative needs to be, what is Social Security? Social Security today is a retirement program for the most part, which wasn't its its original intent. So we're gonna have to just say, okay if that's the case, then kinda like the tax code, we're gonna have to, we're gonna just have to realize there is gonna be dramatic what I'll call income shifting between the haves and the have not if we want to maintain a Social Security system that is gonna be solvent. That's a leap for Republicans to say that, right? Because honestly, that, because that's not what the program was supposed to be.

WESSEL: What do you mean? What was it supposed to be?

BUCSHON: It was supposed to be, before Social Security, people were destitute. They had zero money at all. It was a, it was a safety net. It was a safety net program. That was the, that was why it was created, in my view. Some people could argue with that. It wasn't a, "This is my retirement plan" alone, right? This was to keep me from being destitute. And so it's changed now, and most people, like my father, coal miner, he considered that his retirement plan.

By the way, my, as my dad's passed away, my mom gets his benefit from United Mine Workers. It's $531 a month. You do the math on the current economy, how much that, that helps. So I, I think the American people, and our Congress is a reflection of the American people need to have the facts and understand what is in, what is our intent for Social Security. And we can encourage, we can, and we've done it, we can encourage people to say, "Look, we need something in addition to my, maybe my defined benefit plan, like my dad and Social Security." But that's gonna take decades to change that narrative. In the short run I'd, I, like I said earlier, I do think it may come down to a crisis point where where politicians are gonna have to do something or current beneficiaries are gonna mandatorily lose benefits. That will get people together.

Or the other one is, and I mentioned this also, we're gonna have to get we're gonna have to get to a situation where politicians have the ability to make these tough decisions and still have the chance of getting reelected. In the current makeup with 85 percent of the House seats not being competitive, that is not gonna happen.

WESSEL: Mr. McCrery, from time to time Republicans have proposed a much more radical change to Social Security than Wendell proposes. Wendell proposes we should finance it with a payroll tax, make some benefit adjustments, and we won't get all the way to 75 years solvency, but we'll get a good chunk of the way there. And I should note that the problem we face now, the size of the hole that Wendell describes, is much bigger than the one that we faced in 1983 in terms of presented payroll.

But an alternative that Republicans sometimes talk about is creating basically some kind of private accounts that would sit alongside Social Security, that people might be more willing to support than higher taxes or cuts in future benefits. President Bush proposed that, didn't go anywhere. I'm sure it'll come up again. Maybe we should give everybody shares of Anthropic and call that Social Security. I'm just curious whether you think that's a good idea. Is it an idea whose time has passed, or one that we might think about in the future?

MCCRERY: I do think it's a good idea. It was a good idea. President Bush went around the country, as you'll recall, promoting Social Security reform. Unfortunately, Wendell will remember this, the Democrats were holding press conferences saying that we wanted to privatize Social Security, and that's not what we were wanting to do at all. And that helped them take the House in 2006. But look, it is third rail politics, and it's a very potent hammer to hold in your hand. Anyway, I do think it was a good idea. Whether it's still a good idea today, given the lack of time that we have to address this, I, really don't know.

WESSEL: Yeah.

MCCRERY: I think it's smarter people than I, it's worth getting them to study that and see if it's feasible. But it's gotta, whatever the solution is, it's gotta be something that Republicans can take home and something that Democrats can take home. It's no party by itself will be able to solve this problem. And as Dick said it really boils down to leadership. You just-- and probably we have to have a president who takes the leadership. This president obviously has chosen not to do that.

WESSEL: Yeah.

MCCRERY: So we have to wait till the next president. But, it was a good idea. I'm sorry we didn't adopt it. I think it would've solved the problem by now. But it is... We are where we are.

BUCSHON: Can I make a quick comment on that?

WESSEL: Please.

BUCSHON: Just a... and I don't... I agree with that. If you look at since, what, the 1930s, because the whole charge was we're gonna put your money in the stock market, and all the people in New York, you're gonna lose all your money, basically. I know, 'cause my dad was a Union Democrat, and we had these conversations. The average re-

WESSEL: Did he vote for, did he vote for you, or did he vote for your opponent?

BUCSHON: He's actually in, not in my district.

WESSEL: Oh, good for you. He's from Illinois.

BUCSHON: I always said I love my mom and dad, but I don't agree with them on anything politically. But but no, my point is you look at, if you-- I think it was misconstrued somewhat what that would mean if-- but also that -- look at it this way. The average return in the stock market since 1930s is about 8 to 10% a year. Think about what the value of the money you've contributed to Social Security fund during your lifetime. What's the ROI and the growth on that? It's essentially zero. In fact, it may be negative. So those are things that have to be thought about when you're talking about reform. Depends on what your, how much you earned, whether you have- it does ... a negative or positive return. It, and it depends on all kinds of factors. Should that be on the table, some discussion about growth of the resources that you provided to the federal government? If you live a certain time, should you, there be growth? Should it be static? Are you getting, depending on your income level, are you getting ROI on your benefit or not? So I just wanted to point that out.

MCCRERY: Just a, another quick story. You remember the 2008 financial crisis and Obama was elected. Rahm Emanuel went to the White House as chief of staff. Rahm was on the Ways and Means Committee with me, and a good friend. And I was out of Congress then, but I called Rahm. I said, "Rahm, I know things are bad right now, but you believe in the United States and the future of our country, don't you?" "Of course." I said now would be a perfect time for the president to propose that Congress change the law and allow you to invest some of the Social Security Trust Fund, not in Treasury bills, but in the stock market. 'Cause the stock market surely is gonna come back He said, he said, "Jim, you're probably right, but there's no way we could propose in this environment putting people's Social Security money into the stock market." So if they had, boy, we'd be in great shape.

WESSEL: Of course, now we don't have much of a trust fund, so what we invested in doesn't matter much.

MCCRERY: They would have had to-

WESSEL: Congressman Gephardt, another... I don't know how many rails there are. But immigra- immigration is another dangerous place for politicians, and Wendell sort of sneaks this in at the bottom of his table. "Oh, by the way, I'm gonna increase legal immigration because that means more workers in the short run," blah, blah, blah. Do you think that's, is Social Security is a place that could get people to understand the virtues of immigration, or is that just so dangerous that it would take two third rails and make, I don't know, explosion?

GEPHARDT: No you'd have-

WESSEL: I'm running out of metaphors

GEPHARDT: You'd have everybody electrocuted by that. It may be, but let me go back to what was just talked about, which is putting private pensions alongside Social Security. I think the key... I'm becoming infected with a little bit of optimism from my colleagues. I feel like--

WESSEL: Oh, we've really accomplished something here today.

GEPHARDT: Here's what I think has to happen, and it may have to wait till we get a new president and a new Congress. The new president in, say, 2029, has got to sit down with the entire Congress, not just the leaders, but the whole group, and say, "This is a crisis for all of our people that we have to solve, and we're all going to put down the political cudgel, which has always been Social Security. We're gonna put everything on the table, just like we did with George H.W. Bush in 1990. And we're gonna look at all of it. We're gonna work together to solve this problem to get to a compromise."

What's a compromise? I must tell you, I am in awe still today of self-governance. I'm in awe of it. When we pass these balanced budget things, starting with George H.W. Bush and then ending with Clinton, when we finally got the votes, I cried on the floor because I felt I was seeing 340 or whatever million people coming to a compromise that half of them hated through their representatives to solve a big controversial problem, and they were willing, all of them, all 340 million, were pretty much willing to grudgingly accept that result because they thought the process by which it was reached was fair. They didn't get everything they wanted. They gave up too much, but they were heard and they had a vote, and we got it done. That's the majesty of self-government. And we have to get back to that because the alternative is not good. It's one person making all the decisions for all the rest of us, and that's where we're gonna wind up if self-government cannot function for the American people.

MCCRERY: Why don't you run for president? Yeah. You did that.

GEPHARDT: Happily, that didn't work out.

BUCSHON: I mean, congressman, the legislative branch, we have got to grab back our constitutional authority.

GEPHARDT: Yes.

BUCSHON: We have given it up in many respects under executive branches of both political parties, in my view, to your point.

WESSEL: Mr. Downey, you look like you're about to say something.

DOWNEY: Yeah. I, what I wanna do is talk about when President Andy Beshear takes the oath of office in, in 2029, and he has 241 House Democrats and 52 Democratic senators. The battle will be-- and I, first of all, want to say there's a reason why Dick was the leader of our party, and that he had a broader vision of what we need to do as a society. I wanna look just practically for a minute as a Democrat thinking about how I get to the point that Dick wants us to be at.

You're gonna have a battle in the Democratic Party about this idea that wages alone should be the way to finance Social Security. Wage growth has fallen behind that of capital income. So there'll be a lot of people in the Democratic side who will want to look for upper income folks with capital resources to participate more actively in the financing of this. I would say I would be very surprised if that you get Democrats, unless they were the final Republicans, votes to somehow put a portion of Social Security aside in private equity markets. The whole point of Social Security had been that it's reliable, that its surpluses were invested in the most secure vehicles around which were US Treasury notes. So the idea that you're gonna move away from something so safe, so predictable, and so effective over the last 80-plus years is gonna take some doing, and it would be only, I think, a very painful compromise for some Democrats to make. I'm not ruling it out, but I do think that the idea that payroll alone will be its financing mechanism in the future is probably something that might change.

WESSEL: Thank you. All right, I want to give the audience a chance to ask some questions. I'm gonna take two or three questions we have a lot of people and not a lot of time, so please make them short. Why don't you start back there, Ben. And if you'd just tell us who you are and ask a question, not a speech.

AUDIENCE MEMBER: My name is Roger Cocetti. I'm a retired high tech executive, Comsat, IBM, VeriSign, CompTIA. And my question has to do with, in a sense, technology. And by the way, I still remember the day when my salary jumped above the Social Security cap, and I thought, "Oh my God, the people in accounting are so stupid. They forgot to collect taxes on my Social Security." The vast majority of people don't understand that there, that this is not a progressive tax, the more you earn, the more you pay like most others. But the question I have is, I'd ask the panel if they could give any reaction to the idea that if a robot replaces a human in a job, the human would have paid Social Security taxes. Obviously, the robot does not. Whether driving a truck or delivering things or answering the phones or whatever. Is there any prospect for-

WESSEL: Tax the robots.

AUDIENCE MEMBER: having Social Security taxes paid by replacements for humans?

WESSEL: Thanks. There's one over here, I think. Gentleman with the red cap.

AUDIENCE MEMBER: Hi. So-

WESSEL: Tell us who you are.

AUDIENCE MEMBER: My name is Zach Mizell. I've been in DC for three years trying to figure out how to build the political will to get something done on the budget, and I'm working with Dave Walker. I have two questions for you. One is you mentioned that we need to develop a fair process to make sure that this can get broad enough support to get this done. Some of the members on the upcoming panel have actually lobbied against the fiscal, the bipartisan fiscal commission. Some of them are legitimate concerns and complaints, but how can we get those stakeholders to buy into a process that they feel would be fair and transparent and trustworthy enough to actually get this done?

WESSEL: Okay.

AUDIENCE MEMBER: And secondly I can't really move anyone in DC to do anything. Dave Walker seems to be the only person that's willing to put an energy into this. I've been developing some relationships with some national student groups because, which is really important because they don't vote nearly as much as some of the older people, so politicians don't really care about winning their votes. Would any of you guys be willing to speak to some of these student groups? One of the groups that I've been developing a relationship it, with is the Gephardt Institute in St. Louis, where I went for my undergrad.

WESSEL: I think we can find someone who'll talk to that. Thank you. Let me take one more. Here, gentleman on the aisle. We'll meet you at the next round.

AUDIENCE MEMBER: Hi, my name is Mike Golasch. I'm a retired trustee for the Transit Employees Retirement Plan. In 1983, when there was this big issue with our pension system, we decided to go from investment solely in, in government securities and state bonds to a more diversified portfolio. And over the last fifty years, yes, the stock market has gone up and down, but on the average, we've averaged about a seven percent return on our investments. So our fund today is, we provide benefits for close to ten thousand people. It's well-financed. It's not in danger. We have post-retirement escalation. It goes on year after year. Our older retirees don't get five hundred dollars a month. They might have got that twenty years ago, but today they're getting fifteen hundred dollars a month because of post-retirement. But it's that diversified investment that's made it possible. I don't see why the Social Security Trust Fund couldn't develop that as a strategy for growth over the coming period of time.

WESSEL: Thank you. All right. So Tom Downey, tax the robots is another way of saying we should somehow tax capital to fund. So do you think-

DOWNEY: Yeah no, I think it's a really interesting point, which would be the point that Paul Krugman and others have made about the role of earned income versus capital income. I, it's just a question. If you want everybody to feel like they're somehow participating in the financing of Social Security then you should not be limited to the methods of the flows of income that you wanna see taxed.

I would argue to the last questioner, the Federal Employees Benefit Retirement System offers a variety of different options for people to TSP accounts. So I'm not completely opposed to the idea of changing Social Security, but I think you'd wanna be able to say to people, you've gotta... you paid into this first system for a while, and this is what you're gonna get out of it. And there would have to be some minimum there. So I don't know how you'd work that. I'm not excited about it, to be honest with you. But it may be necessary to get 60 votes.

WESSEL: Does any of you wanna take the question about how do you encourage people who are suspicious of bipartisan commissions to trust that's, that they can get a fair hearing? How do we get over that hurdle?

GEPHARDT: We've got, again, to have leadership from people in Congress, from a president to say to the American people, "These are grave, difficult, controversial problems, and for the good of all, we have to really engage seriously on solutions to these problems. Put our political cudgels down, have a disarmament agreement, and get at it."

WESSEL: But I think the challenge is that Americans trust in government and in other institutions-

GEPHARDT: Oh, I understand ...

WESSEL: the press and the think tanks has been eroding. And Mr. Downey, Mr. Bucshon want to change the way we organize Congress. That's not gonna happen. You wanna fix social media. Good luck to you on that. So is there something that you think a politician can do to sort of restore some trust, or is it just hard work?

GEPHARDT: Let me give you a diversion here on that subject. About three years ago, I met a woman by the name of Audrey Tang. She was the former digital minister of Taiwan. And what she did in Taiwan, to me, was very exciting. So the problem they had was that Uber wanted to come to Taiwan, and it was deeply controversial. So she established a public platform, digital platform in Taiwan, and invited all their citizens-- now, it's not a big country like ours, but it's a lot of people. She invited them on to give their views on how to solve that problem. And she was amazed at how many people joined in.

And she said over a period of some weeks and months, people came to what she called uncommon ground. I love that phrase. She said because what she meant by that was that people changed their mind from where they started on what should happen with Uber. And then they conveyed that consensus of uncommon ground to their representatives and to public officials, and it got implemented, and it succeeded. They then did that with COVID, and incidentally, they succeeded at that, and they had the best outcome on COVID of any country in the world. And then they applied it in a third instance to campaign finance reform. And they solved that. They could probably even solve gerrymandering.

So I've invited her to come here in New York, you're all invited, and I want to learn from her how we could do this in the United States, maybe starting ... She's done some work on this in some states, Iowa, I think California, Utah, where they've started to do this. So it could be bottom up, maybe in local communities we could do it, and then ultimately get to the federal government. This is not direct democracy, but it's a hell of a lot better than what we're doing. And it would give politicians cover if the people came to uncommon ground on Social Security or whatever. So I think we've got to use digital technology to bring people together rather than driving them apart.

WESSEL: Thank you. Gentleman here.

BUCSHON: Can I make a quick comment on, you asked about a budgetary question from a Republican perspective. The Republican Party has gotten more populist, obviously, right? And with that, I've seen it's complicated, but there's less and less deficit hawks on the Republican side in Congress today than you've seen historically. There's a group of people who are. They're not totally bought into it doesn't matter, like you see some people say, "What's it matter? We're in debt to ourselves anyway, it doesn't matter." But you're, the reason you aren't getting any traction is because people on the Republican side are less inclined to be deficit hawks, in my view, than they were even 10 years ago.

DOWNEY: Can I, I just say that once there's a Democratic president, you'll have a lot of deficit hawks.

WESSEL: Exactly. The gentleman here.

BUCSHON: That's probably true.

WESSEL: I think history suggests and supports that. Sorry.

AUDIENCE MEMBER: I'm John, John Turner Pension Policy Center. Several times the issue about the 60-vote requirement has been raised as being such a high hurdle, and I wondered what you would think of an idea of reducing that maybe a little bit but then adding another requirement that there be at least a certain number of minority votes included in the total. So for example, it could be, like, reduced to 58 and at least five minority votes.

WESSEL: So I can tell you right now that the people who are least capable of reforming the Senate are a bunch of former members of the House. But let me take-- but I'll let them answer. Let me take one... Is there another question? Okay, why don't you answer that, and then we'll turn to Devin.

MCCRERY: Well-

WESSEL: Anybody?

MCCRERY: David's right. We used to complain all the time about the Senate blocking good legislation. But frankly, I think it's a mechanism that has worked well over time to avoid big swings to the left or big swings to the right. So even as a former House member, I would be opposed to doing anything to the 60-vote rule.

DOWNEY: So Tom Harkin had a-

WESSEL: Former senator from Iowa.

DOWNEY: Former senator from Iowa, yeah, I'm sorry who-- former House member, former House colleague of mine, had a, a reform of the filibuster rule of the 60, where a certain amount of time would go by, and then you'd only need 58. And he thought that time and pressure would force people into compromise. And it was one idea to deal with the the filibuster. I don't know that it's gone anywhere or would go anywhere, but it's a, an intriguing idea.

BUCSHON: And also, remember it used to be 67 votes, right? What... I can't remember when that changed. Was that in the '70s?

DOWNEY: 1975.

BUCSHON: Yeah. This, to me, my Republican, I'll speak for the Republican senators, even though you get a lot of noise out there about it. I've talked to Republican senators for 15 years. No way. They will publicly talk about it, but they're not gonna support getting rid of it.

WESSEL: Right.

BUCSHON: I would agree.

WESSEL: Okay. Please join me thanking all four former members. And stay in your seats. Devin O'Connor is gonna come up next, and we'll have a break after he speaks.

O'CONNOR: Hello, I'm Devin O'Connor from the Center on Budget and Policy Priorities. Wendell asked me to talk about some of the operational challenges that we've witnessed over a tumultuous year and a half at the Social Security Administration. So I want to just begin with a bit of a recap of what we've seen. So inheriting an agency that's long struggled with funding constraints and administrative challenges, particularly felt by applicants for disability benefits. The administration undertook what they described as a massive reorganization and reductions in what they termed a bloated workforce.

Personnel changes were paired with policy changes. SSA leadership voluntarily pushed for historic staffing declines. At the same time, they imposed new restrictions on phone-based services and de-automated enumeration at entry, increasing the number of people needing to make in-person visits to more thinly staffed field offices. As part of their regulatory agenda, SSA proposed, but then later disavowed, plans to change how age and education factors were incorporated into disability determinations and the treatment of SSI recipients living in households receiving low-income benefits like SNAP. SSA also pulled was also pulled into a number of controversies outside of their own programs.

The acting commissioner temporarily ordered electronic birth and death reporting turned off in the state of Maine as a form of political retribution. DOGE employees were given unprecedented access to Social Security data, often with minimum training and safeguards. Social Security data and systems were leveraged to support the administration's immigration and election policies, including lifting-- listing living people as dead in the Death Master File and sharing data with the Homeland Security that a federal judge recently said knowingly trampled on the privacy rights of American citizens.

Some of this turmoil and change appeared to show up in service disruptions and degradations. And there are a selection of headlines from the past year and a half that speak to that on the slide behind me. The administration also came in publicly questioning SSA's administration of its own programs in extremely high-profile ways that form an important context of how the public has perceived the agency and its operation of these programs. But let's dig in on the personnel shifts because it seems like many of the struggles that we've seen are probably downstream from what was a relatively radical change. SSA intentionally and rapidly pushed out more than fourteen percent of their staff, about eight thousand employees over the first fifteen months or so of the administration.

I want to emphasize the rapidity of that transition. At one point, more than one in every twenty SSA employees left within a two-month period last spring. That was not due to budget pressures. It was not required of them. These were departures that were engineered and even incentivized to hit an arbitrary target level of SSA employees. It was not a performance management effort. There are no indications it was done to push out poor performers or to try to retain their best performing staff. It was not based on protecting certain roles or needs. There were no indications that it was done with transition plans in mind, not to preserve institutional knowledge or to better execute on their own plans for internal reorganization.

It wasn't just accomplished through accelerated departures, but also through what seemed like a virtual hiring freeze. SSA hired fewer than one hundred employees over the course of twenty-twenty five. That compares to four thousand new hires in a typical year for the agency which meant that the hiring was not being used to fill any critical holes left behind by the departures. New hiring only seemed to meaningfully increase in April of this year. As a result, SSA has fewer employees at the agency than at any time since nineteen sixty-seven when it was not yet responsible for administering SSI. That approach means that the headline numbers probably understate the disruption from lost personnel with losses spread across the country and many field offices under acute strain.

Since the losses in critical customer service-facing roles were not backfilled with new hires, leadership has sought to reassign thousands of workers to try to patch over the most visible gaps in phone service and field office intake. But the risk of redistributing thousands of workers in that manner is those folks are not necessarily going to have the training they need to replace an experienced employee, or at least not right away. And while the roles for which they are trained and experienced are going unfilled behind them, creating new gaps and problems for the agency. And I just want to make a distinction that one could be supportive of SSA's end state. They could say there were too many employees or that this is a better use of SSA resources and still be somewhat critical of the approach SSA has taken in getting there.

There is an order of operations problem, I would say, in terms of getting rid of people first and then trying to deal with the consequences of those departures second. And that seemed antithetical to limiting the kind of disruption and strain that we've witnessed over the last year and a half. So how is SSA managing? First, I should say it can be very difficult to assess from the outside. While SSA has limited some of the metrics that they report, and some of the metrics they report have been criticized as being somewhat misleading, many of the metrics they do report have shown significant recovery from earlier in twenty twenty-five and have improved or held steady.

But we continue to get media reports and qualitative research like from Katie Savin and her co-authors documenting challenges people are facing in getting the help they need from SSA. And so that leaves a math problem that's worrying. To make up for the loss of staff, SSA either needs significant productivity increases from remaining employees, but it's not clear where those increases could come from or at least not come from quickly. And so the worry is that there's either a decline in customer service or agency performance happening in areas that are less prioritized or less visible, or else we could be seeing sacrifices in the quality of the services SSA provides. Either of those two paths will lead to more work and more severe challenges for the agency down the road.

Administrative problems at SSA are a big deal because SSA is the government's front door for many people, and it's part of how many people form their opinion about how well government is working. SSA has faced longstanding challenges long before this administration with fragility of its systems, and it was always going to need to address very large administrative problems. Perhaps reduced funding sorry, reduced staffing will free up budgetary resources for investments in technology, but the capacity challenges at SSA could hamstring the commissioner's own initiatives and efforts to make SSA a more digital-first enterprise in the short run. While we should all be rooting for the success of these initiatives and their ability to deliver better services with fewer resources in the future, avoiding greater barriers or degradation in the short or medium term is gonna require steady and careful implementation that was not reflected in how they address personnel.

And of course, a lingering concern is that the loss of staff and expertise at SSA over the past year and a half could be contributing to further fragility that we're not seeing or unanticipated problems that could rear later on. Much attention at SSA is on the trust funds right now, and that's rightly but there are also urgent problems in administration, and that should worry policymakers as well. It's not simply enough to fund benefits. You need to make sure they're delivered well, too. The chaos of the last year and a half has made that truth clearer to more people. Coming back from it is gonna require consistent and steady investment in rebuilding, and it affords an opportunity to address some longstanding problems that the agency has been dealing with for a long time and give us an opportunity to make real improvements to better serve people into the future. Okay, I think we're taking a break now, but folks should try to make their way back to their seats for two forty-five, and that's when today's program will resume. Thank you.

SMALLIGAN: If people could find their seats, I think to, if we want to stay on schedule while everyone's getting settled I'm Jack Smalligan with the Urban Institute, and previously worked for Jack Lew at OMB two, two different times for many years. And and it's my pleasure to be able to present to you our proposals to reduce elderly poverty. I'll be starting with some context on the measurement of poverty, then talk about the implications of the proposals for Social Security and for people with disabilities.

And next, I will summarize the policies, especially as they focus on Medicare and SSI, and conclude with the cost and the policy impacts of the proposals. So we measure the impact of policies using the, kinda the most demanding approach. We start with the supplemental poverty measure, and then we incorporate data from the Census National Experimental Wellbeing Survey, also referred to as NEWS. Looking at the most recent year for which NEWS data is available, which is 2021, this reduces elderly poverty by 4.6 percentage points. NEWS adds IRS data, especially distributions from retirement savings accounts, that are underreported in surveys. Note, however, that elderly poverty increased substantially since 2021, especially from the expiration of temporary pandemic-era policies.

This table shows poverty rates for subgroups of older adults. Poverty rates are substantially higher for women and people of color who are 80 and older. And I'm moving this through to keep in interest of times, but everything will be up on the Brookings website. We achieved dramatic reductions in poverty by focusing on SSI and Medicare. Social Security currently substantially reduces poverty, as Linda noted in his remarks. However, we don't focus on major poverty-related Social Security changes, such as an enhanced minimum benefit, because these policies are not well-targeted, and they also distort the program. We also offset the cost of tho- these policies without affecting the financial health of Social Security.

While we focus on elderly poverty, we're equally concerned about people with disabilities. Poverty rates among disabled people are very high, ranging from twenty-three to twenty-eight percent if you look over the last fifteen years. And the measurement of poverty for people with disabilities, while it's complicated, it's not significantly affected by the news adjustments. Our proposals help both older and disabled adults, and our cost estimates include both

Our first proposal is to restructure Medicare premiums. These premiums are too high for low-income beneficiaries. Someone with income at the federal poverty level who is getting both Part B and Part D is paying 18.2% of their income toward those premiums, $2,900 a year. Existing assistance programs have low participation and poor design, and so this means that for many low-income adults transitioning from the Affordable Care Act m- to Medicare, they face a very sharp increase in premiums.

This chart shows how d- differently premiums vary as a percentage of income between the ACA and Medicare. For Medicare, the two blue lines show how premiums as a percentage of income decline from 150% of poverty to 400%, whereas ACA premiums increase steadily. We propose to eliminate the current Medicare assistance programs and replace them with an SSA-administered benefit determination, similar to how SSA now administers the Medicare high-income premiums.

The cost of forty to forty-five billion a year would be offset with increased premiums for high-income beneficiaries. Overall, somewhat more beneficiaries would experience lower premiums than would pay higher premiums. In addition, we propose a comprehensive set of proposals to update and improve the SSI program. Many aspects of the program have not been indexed for inflation for many years, for many decades, I should say. In addition to an increase in the basic federal benefit, we'd increase the earned and general income disregards and the asset limits, and we'd index everything.

The most significant change we propose to SSI would be to disregard forty percent of Social Security benefits when calculating the SSI benefit. Currently, only twenty dollars of Social Security is disregarded, and SSA is reduced dollar for dollar thereafter. This means for someone who has contributed to S- to Social Security as much as sixty-two thousand in Social Security payroll taxes and is eligible for a benefit that is not that different than the SSI benefit, they will only receive an additional twenty dollars a month from this con-contribution under current law.

So we have additional proposals in our paper, and in the interest of time, I've just briefly note some of them. We propose large increases in dedicated housing funding for elderly and disabled adults to assist those who are at greatest risk. We cap out-of-pocket costs in Medicare to further help low-income beneficiaries. And we increase participation in SNAP and SSI through improved use of administrative data, we estimate costs of $2 trillion over 10 years, with 90% of the costs in Medicare and SSI. This table includes two of our Social Security proposals that Wenda covered earlier, the grandparent caregiver and the survivor benefit proposals that have substantial poverty impacts.

These proposals would reduce elderly poverty by 70% overall. We achieve similar and greater reductions where poverty is most concentrated among women and people of color age 80 and over. We expect the policies would also achieve dramatic reductions in poverty for people with disabilities. These proposals show one way elderly poverty can be dramatically reduced and could be enacted concurrent with addressing Social Security solvency. The cost would be offset with reductions in Medicare Advantage reimbursement and further reforms in drug pricing. Reductions in low-income Medicare premiums are fully offset by increased premiums for higher-income beneficiaries.

And thank you for your time, and I wanna invite the next panel to come up and also welcome Amy Goldstein, who's gonna lead the panel. Amy's with Brookings. All right, thank you very much.

GOLDSTEIN: We are your last panel of the afternoon, and we've just heard the perspectives on Social Security's future or perhaps not so happy future from some distinguished veterans of the house. And now we have two interwoven topics: poverty among the nation's elderly, along with Social Security solvency. So we're gonna hear now from four people whose jobs are to work on behalf of constituencies that have a big stake in how these issues play out. There are two groups advocating for older Americans, one representing unionized workers and one representing businesses. And I was counting, three of the four of you have your own past lives on Capitol Hill as staffers. So you know a little bit about where the previous folks were coming from. So by way of introduction next to me is Neil Bradley, who's with the Chamber of Commerce. He's executive vice president, chief policy offer, and head of strategic advocacy.

BRADLEY: Long titles.

GOLDSTEIN: Which sounds like it gives you a-

BRADLEY: They don't cost very much

GOLDSTEIN: Sounds like it gives you a lot to do for a living. Next is Lee Goldberg, who's with the AFL-CIO, where he is a health policy analyst. Jessica Johnson, who has my favorite title. She is the senior strategist for economic wellbeing at the National Council on Aging. I think we should all have wellbeing in our job missions. And at the end, Bill Sweeney, who's senior vice president of government affairs at AARP. So welcome, all of you.

So I think that we're gonna do the best we can to compete with the war stories about the Oval Office and hiding out at Andrews Air Force Base trying to hammer out agreements and start with elderly poverty since we just heard a little bit about that new paper.

So according to the supplemental poverty measure, only about six percent of Americans sixty-five and older live in poverty. But poverty, as we've heard, can be particularly problematic for older people. So among the pressing economic concerns this country now faces, maybe we can just go down the row and each of you talk about how a priority should alleviating elderly poverty be, and do you agree with the premise of the paper by Wendell and his friends that something needs to be done soon? Go ahead.

BRADLEY: First thanks for having me. It's a pleasure to be here on behalf of the Chamber. And I'm really glad that discussions like this are taking place. They're important. These are-- it's not that, that we all come at it from the same perspective or that we're all gonna come to an agreement today, but having these conversations are the way we begin to make progress. I wanna commend Wendell and Jack and the folks who put this together. There's no question it is a worthy project, right?

Six percent, we can be pleased that it's not higher, and it has been higher before. It's also been lower before, thanks to some of the supplemental efforts of COVID. But as you pointed out in your question, we have a lot of competing kind of demands at the moment, and we have real crises coming with respect to Social Security solvency and Medicare coming on the heels of it. From my perspective, I think the right way to think about it is how within those discussions of preserving those vital programs that work across the board can we prioritize keeping elderly poverty as low as possible, addressing the pockets within elderly poverty? I was pleased to hear the discussion about disabled seniors versus seniors writ large. I think policymakers are gonna have to make some choices. We're not gonna be able to do everything, but figuring out how to prioritize within that and using that as a factor is how do we think about that?

So one of the last slides was the concept that this can be concurrently done with efforts to restore Social Security solvency. I hope that's true and I think it's important to do these discussions in the context of that because I'm not certain it's true, right? And because I'm not certain it's true, I think we're gonna have to evaluate all of these various trade-offs, including the pay-fors to deal with senior poverty in the context of have we solved the underlying solvency problem. That's a long way of saying I think these are great ideas to have on the table. I think they're worthy goals. I think they have to be part of that conversation. I just think we have to be cautious about committing that that we're not solving all of these very near-term problems in some type of cohesive and concurrent fashion, or we may find ourselves making decisions with respect to one problem that foreclose some of our options to deal with maybe even bigger problems.

GOLDSTEIN: Thank you. Lee, do you agree that we're gonna need to pick and choose which parts of the elderly poverty problem to address?

GOLDBERG: I would push back a little bit on the number. I think 6% is low. That may be dire poverty, but when you look at the Census Bureau, the number of seniors who are, say, below 200% of federal poverty, and that's not very much income is closer to one out of three. So much higher number. These are people, they're, again, not dire poverty, but they're, one car bill or one unexpected rent increase away from economic tailspin. And I think as it was shown on one of the slides it's not also a matter of how much, but who. It's disproportionately African Americans, Hispanic seniors and women just because of wage discrimination and time out of the workforce.

That said, elderly poverty is a real problem but so is poverty among children, poverty among prime age adults and out in the workforce. I wouldn't prioritize one over another. I don't wanna give a create a permission structure, frankly, to ignore the other ones. I think a lot of damage was-- will be done as a result of the reconciliation bill but there's gonna be huge problems across the board with a lot of demographics. And I think we'll talk about this, but I don't see the need to link these. I'm concerned linking some of these issues will actually distort the essential purpose of some of these programs.

GOLDSTEIN: Jessica.

JOHNSTON: So I completely agree. I often say that many older adults are living in functional poverty. We might not classify them as living in poverty, but they ultimately are. When we look at the data, we know that something like 40-ish, 45% of people think that they might need long-term care, but the reality is that two-thirds of people will need long-term care, but 80% of them can't afford it. So if that's truly the case, everybody is one long-term care emergency away from poverty.

And as the person who often hears the day-to-day numbers, there's a lot of high-level statistics here. But just to think about it a little bit from an individual person's perspective. So let's say that I, my income is too high to qualify for a Medicare savings program or a low-income subsidy, and so I'm paying my Medicare premium. But let's say I do qualify for SNAP. So last year, let's say I qualify for the minimum benefit of $23. This year, I get a whopping $26 a month. Last year, my Medicare premium was under $200, but this year it went up by about $18. But my SNAP benefit only went up by three, right? So the benefits aren't working for everybody, and I'm just talking about the people who are enrolled.

I think the great thing that this proposal does is it does propose a way to streamline benefits and to automate an incredibly complex, fragmented system that is operated in state Medicaid offices, in SSA through community-based partners, through the federal government, and it's incredibly complex and difficult. And so this, by eliminating essentially Medicare savings programs and the low-income subsidy and automating it through the Social Security Administration, I think is a really interesting idea because we're streamlining through elimination. I'm reluctant of putting this much power within the Social Security Administration, which we have just heard has been gutted.

And so that's my main concern. Similarly, linking a lot of these things together. While it makes sense to deal with the problems holistically being the only person who has not worked on the Hill I, maybe this, it just doesn't seem quite as politically feasible sitting in the stands. So that's maybe my one concern, but I do appreciate that this is a really opportune time to talk about elderly poverty with the reminder that there's there's 11,000 people every day turning 65 over the next two years. And so this is a crisis of right now. And while I don't wanna, try to prioritize one group's poverty over another, I do wanna recognize that poverty among older adults, that's the only demographic we've seen have a rise in poverty over the last three census reporting cycles.

SWEENEY: I would just say fighting senior poverty is foundational to AARP. It's why we got started 65 plus years ago. It's important to me personally. Before-- when I was a kid, my grandmother came to live with us, and she was on, she was in Section 202 housing. She was on SNAP, she was on Medicaid. She got CSFP food boxes and the cheese blocks and the canned spinach. And I remember her when she came to live with us, how hard that was for her. She was an Army veteran. She had worked her whole life. She'd been married. She'd done all the right things, and yet that's where she found herself at the end of her life, in this really difficult spot that, that she never thought she would experience.

And what we've learned at AARP, we do-- it won't come as a surprise, we do a ton of research to understand the, what the 50-plus population is thinking. And the number of people who have very little retirement savings or no retirement savings, who even if they're not technically in senior poverty yet, are deathly afraid that they're going to end up there if they have a long-term care crisis, if they have a caregiving crisis, if they have to stop working to take care of somebody. And so for us, I think these issues are really important. They're all really foundational.

But for us, and for me, I think it comes down-- Social Security is the is the elephant in that room, right? It's, it lifts 60 million people out of poverty every year. It is the reason that it's only 6 percent. And so Social Security really is the most foundational thing that we have to keep people out of poverty in the first place. And so what we can do to address senior poverty, I think we should look at those options. But I wouldn't sleep on the fact that Social Security is the reason that we don't have a bigger problem in this country, and it's truly something we almost take for granted, and we really have to. I'm glad we have an event like this today to stop and take some reflection about how important Social Security is.

GOLDSTEIN: Okay. Neil and Lee, you two were a panel moderator's dream in how quickly you surfaced a disagreement about whether or not the issues involving elderly probably, poverty should or should not be integrated into the broader debate of Social Security's future. So I'm wondering if you could each take a couple minutes and just dive more deeply into your rationale.

BRADLEY: You want to start, Lee, or?

GOLDBERG: Sure. I think, yeah, our answer is an emphatic no, that we don't really wanna do this as one, in a large bundle.

GOLDSTEIN: Because why? Because why?

GOLDBERG: Because both issues need to be addressed. We need to address elderly poverty and luckily, we have a program that does that. We have SSI. We should improve SSI. I think Wendell and his colleagues have identified a lot of good improvements to SSI. SSI is funded through general revenue. Congress can do it now. We don't have to wait for a grand bargain on Social Security. This is something that doesn't need to be funded out of the trust funds. It can be done now. And Congress should.

At the same time, Social Security, as Wendell said, it is a wage replacement program. It was designed to ensure seniors had a dignified retirement. It's a middle-class program. It should stay that way. We can address senior poverty. We can also address retirement security through Social Security.

GOLDSTEIN: So if I'm hearing you, your central argument is that poverty really matters, and it can be dealt with politically more quickly if it's detached from the broader Social Security debate.

GOLDBERG: Certainly, I've listened to enough Punchbowl News to know when you add a hard problem to a hard problem it doesn't get any easier. But just from a policy standpoint, there is no reason to link them.

GOLDSTEIN: Okay. And Neil, I suspect you don't agree with that last statement.

BRADLEY: I wish I actually agreed with it. Because I wish we were operating in kind of a legislative, kind of political function where we would have the opportunity to say, "Gosh, we have this problem. We agree it's a problem. We're gonna negotiate over some solutions that we disagree on and try to come up with some modest improvement." I just honestly don't believe that's where we are in legislating.

By the way, I don't think, I don't think that's new. I don't think we've been there with some of these really hard problems for a very long time. And yeah, in the current environment, when you take a, what I would describe as a modestly hard problem that Congress is dealing with today, and you add another modestly hard problem, it seems like they can't get anything done.

By the way, they can't seem to address the modestly hard problems individually either. I think we are confronting problems in the near term with Social Security insolvency that are going to force action. There, there's no two ways about that. That is going to require bargaining between the parties and between the branches. When you are forced to bargain and you are forced to come to a solution, the fact that you have to get that done often presents opportunities to take advantage of that you didn't otherwise have the opportunity to, right? Because I'm in the midst of making some decisions.

Let's imagine we're in 2030-- let's imagine we're in 2029. We're gonna be optimistic, and we're solving Social Security on a bipartisan basis here. And both sides are looking at each other and saying I've just agreed to stuff that my side is gonna hate. And by the way, it's gonna be really hard to sell, and I'm gonna have to sell them that I didn't really give them anything. I just kept something from going away from them in 2034, which by the way, they probably won't believe because they don't believe when we tell them that these bad things are about to happen. In that type of environment, if I were a Republican, if I were a Democrat, I might wanna sell, let me tell you what we just did for senior poverty. Let me just tell you what we did for disabled American seniors, for the veterans. I think we're gonna need some things like that. Doesn't necessarily mean I agree with all the policy choices that are gonna be made. We'll see what those policy choices are. But sometimes you when you have to do something, you can take advantage of that opportunity to do some other things that may end up being a lot more politically sellable than the choices that we make to solve the underlying Social Security problem.

GOLDSTEIN: So you think that dealing with poverty could be the sweetener?

BRADLEY: I think it could.

GOLDSTEIN: Time will tell, right?

Wendell's paper makes this observation. Unlike child poverty, there's little consensus on how to reduce poverty among older adults. So I want to get a little bit more granular than the conversation that the former housemakers-- House members just had. Where do you recommend starting from the menu that Wendell, in Jack's poverty paper, lays out from Supplemental Security Income: in other words, SSI, SNAP, which is food stamps, housing, Social Security, Medicare, and why.

And Jessica, I'd like to start with you because I noticed that you've written quite recently about hunger among older Americans and the extent to which SNAP is or is not filling, filling what it should be doing. So maybe you can start with whether that's where you would begin or whether you begin with other parts of Wendell's menu.

JOHNSTON: Sure. So, SNAP, as it currently stands, is just, it's not an adequate benefit for most older adults. And so I think in some ways, the easiest place to start if we're really talking about those, the poorest of the poor older adults, SSI reform, I think, needs to happen, and I think Wendell's paper does address that. The asset limits for SSI are severely outdated. NCOA has been partnering with the Urban Institute for several years now on looking at benefits participation among older adults. And so we have data from 2018 and we have data from 2023. We're currently doing the analysis, but the bottom line is SSI participation from 2018 to 2023 actually declined. And so we have got to address ways to get people enrolled in these critical programs to keep them from further hardship.

Medicare. Addressing Medicare in all of this, I think is probably the most challenging part of all of this. Medicare, as it stands is kind of broken, and it's it's difficult for people to navigate. And I think what many older adults don't understand is the costs that are associated with Medicare because so many pensions historically covered Medicare premiums. And so now we have all these people aging into Medicare who didn't realize how much these premiums were actually going to cost them.

So there's a lot of education that needs to be done around Medicare as well. And so addressing the costs associated with Medicare is going to be really important to alleviate poverty and to keep more people from falling into poverty. To the extent that there is any appetite to streamline data systems, which there doesn't seem to be if it means getting people more government money. But to the extent that there is any appetite to do that could be a really critical way of addressing this problem. What I would love to see is more research around the cost savings associated with the staffing and all the administration that goes on with these benefits programs. So if we no longer had to, pay for all of the staffing that comes with eligibility screenings and all of this, and poured some of that money into automation, I think there's some real likelihood that maybe there could be some offsets there. But I realize that's a difficult thing to calculate. So I would say really trying to think about SSI reforms and then costs associated with Medicare.

GOLDSTEIN: Okay. I'd like to hear what the rest of you think about which items on the menu you'd start with. Do you want to go next?

SWEENEY: I, we certainly would start with Social Security. I think Social Security is the most, again, the most, the most foundational one. And, I was-- spent 20 years in the Senate, not to be a Senate nerd, but it's the only thing-

GOLDSTEIN: As a staff member, I just want to point out. As a staff member.

SWEENEY: As a staff member. It's the only thing you can't do by reconciliation and that's why the 60 votes matters. And so Social Security is different than all these other things because you can do all those other things through a different process in the Senate and move it a lot faster and a lot easier. And so Social Security is that sort of the hardest problem of the hard problems that can't be done a different way. There's no one weird trick to do the Social Security stuff, so you kinda do that and get it focused. I would agree, SSI, that we've, we're, we've endorsed legislation as well that would raise those and index those asset limits or it's terrible. It means that people can't save even a little bit of money.

GOLDSTEIN: Could you just explain what you mean by that so our audience is-

SWEENEY: Yeah. So the asset limits were set, what, it was 1980s. They've never been indexed for inflation.

GOLDBERG: 1972.

SWEENEY: 1972. So it's $2,000. $2,000 is, it's just, if people are trying to save any money to get themselves out of poverty, they're instantly whacked and cut off from their SSI benefits.

GOLDSTEIN: You mean in terms of the eligibility criteria, right?

SWEENEY: Yeah. And so it should be, we wanna raise it to at least 10,000, index that for inflation, and and make sure that we don't have this sort of weird situation in the future where people are not able to get the benefits they should get.

But I would also just underscore on Medicare, whether you're very low income or medium low income somewhere in between, Medicare premiums are really a problem. They're eating... Every year, we get the Social Security COLA, the cost of living increase every October or so. Everybody is very excited about it, and yet then we find out how much of that gets eaten up by increased Medicare Part B premiums. And so we've really got to do more on the premiums in Part B and Part D, bringing those premiums down.

We've long supported lowering drug prices using Medicare power of negotiation. We've got a lot more drugs we can negotiate, a lot more money that could be saved in Medicare, and we could put that back into lowering people's premiums. And I think that really premiums, premium help in Medicare is absolutely critical for everybody, not just for low-income folks, but for middle-income folks as well.

GOLDSTEIN: What do business and labor think about this?

GOLDBERG: I would say I, I don't want to prioritize one program over another. I think these programs all need assistance. There's likely to be so much damage done by the reconciliation bill in the next couple of years. We really need to address Medicaid. We need to address Medicare. I think the policy community is diverse and expert enough to help lawmakers on all these fronts. I think if you look at the Senate Finance Committee, they've over this year done a series of initiatives, and they're gonna do requests for information and legislation on a whole range of policy initiatives, mostly on healthcare.

But I, I think we can tackle a lot of these. SSI should be a priority, in that group. I think the proposal from Wendell and his colleagues is an improvement over the status quo. I think I, we've endorsed the Social Security Restoration Act, which would go a little further. The income disregard in Wendell's proposal is 60 dollars. You actually need to raise it to over a 120 just to have in real terms where it started off in 1972. But I think there's a consensus around a lot of these proposals to raise the asset limit, get rid of the marriage penalty, get rid of the in-kind support rules and really, make it so this is a program that people can stay on, and is easier to administer, frankly, too. A lot of these rules make it very time-consuming for SSA to administer them.

BRADLEY: Yeah, I guess I would start with Social Security. Listen, I think you look at any of these individually and you go, "Ah, gosh that makes a lot of sense. Why wouldn't we do this?" The problem is you add up all the things that we just said, "Yeah, that makes a lot of sense. We ought to do that." And quickly we've run out of kind of capacity to do that.

The reality is that we should have fixed these programs a long time ago. We didn't. Pox on everybody for failing to do that, myself included when I was advising leaders. And as a result, we've entered a place in which, we have 11,000 people retiring every day. They're my parents. They are in good health, knock on wood. They're gonna be with us a long time. They are gonna be consumers of these programs for a lot longer than we ever originally intended when we were designing that structure. And they're in that boat with a lot of other people. And we have a structure that's designed not to support that many seniors with that type of retirement benefits and health care that we all believe that they deserve. And, figuring out how, it's hard, but governing's about making choices. That we make some of these choices about what we're gonna be able to sustain, I, I think is going to be critical.

And my hope is that some of these very reasonable things, adjusting asset disregards, it forces-- not only does it punish people for saving, it forces them to do dumb things to qualify for benefits. Now, I've even seen that with my own relatives, right? That's government making people make bad decisions and decisions that you don't even feel good about from just being a responsible citizen. And so I, my hope is that in the process of fixing some of these bigger problems, those are some of the things that can ride along and that frankly would make sense and improve the operations.

GOLDSTEIN: I like your choice of the euphemism capacity. If you add up what all these costs, it turns out that according to Wendell and his friends, the cost of this anti-poverty proposal happens to be 1.9 trillion dollars over a decade. And the main mechanisms that this proposal would use to cover that have to do with the reimbursement rates to Medicare Advantage, the private part of Medicare.

And most of the rest would come from increasing Medicare premiums for upper-income beneficiaries. So I'm curious what each of you think about the big number. Is this something that the government can think about doing? And yes or no, what you think of those two programs as the way to try to generate what it would cost to to make these changes.

BRADLEY: Yeah, trillion seems like billion these days, right? Yeah, I don't know that scares people off like it used to. I think what I'd say is, Those choices also have impacts, right? And Medicare Advantage, we can argue over whether we're overpaying for the benefits that seniors receive.

But the reality that I think we all agree on is that they are providing benefits that are provided outside of traditional Medicare that a lot of seniors like, right? And that help them manage. My parents are on Medicare Advantage. Better deductibles, better out-of-pocket costs than under traditional Medicare, much better wraparound services for them.

Okay. So we want to take Medicare Advantage payment rates and put it at traditional Medicare rates. We're deciding to give up on those things, right? And we can argue the relative value of those things, but that has a cost, too with respect to the benefit structure that a very large number of seniors have come to and rely on.

GOLDSTEIN: About half now.

BRADLEY: About half. And in some places more than half, depending on-- it's a very localized geographic thing. And including in very impoverished places like Puerto Rico, for example where I think we, they still have the highest Medicare Advantage enrollment in the nation.

With respect to the Medicare Part B premiums, I forget how many times we've adjusted the upper income premiums now. We've adjusted those to deal with fiscal situations. The argument has been that we're putting that money back into the accounting trust funds for that. Okay, we are gonna need more money to sustain the current Medicare program. And so if we want to use that money instead for the priorities we outlined here, then it's not available to use when we're dealing with the trust fund issue. Again, that's not a, that's right, that's wrong. These are just choices that we're gonna have to make in these things, which is why I come back to, making these individual decisions.

What you end up with is a bill you can't afford and trying to deal with them comprehensively. We can address what will be really hard trade-offs. And these are trade-offs that we need our elected representatives to make, and we're gonna have to figure out a way to support them when they make those decisions rather than nitpicking that gosh, here are five other things I could have gotten, or here are three things I lost that I wish I can get.

This is gonna be a compromise that all of us, I suspect, are gonna look at and go, "Gosh, I really dislike big parts of this." But that's what a compromise looks like that is bipartisan in nature, can get through our system and become law.

GOLDSTEIN: So at risk of putting you slightly on the spot. Please. You don't sound like a loud enthusiast for either of those approaches to generate revenue to-

BRADLEY: I do not.

GOLDSTEIN: -alleviate poverty. Yeah. So is there any, is there anything else that you might--

BRADLEY: No, I, actually, no, I spoke too quickly there.

GOLDSTEIN: Okay.

BRADLEY: I think there are trade-offs in those. And I think we have to be honest kind of about the, those trade-offs. Do I think there is probably room on both of those? Sure. Do I think that ought to be a part of the discussion of what do we think is the highest and best use of those dollars given our competing demands? Yes. And so I guess what I'm trying to say is, let's not pretend that there aren't costs associated, with costs that will impact seniors with respect to those offsets, and let's understand that if we're using them here, that eliminates our ability to use them in other places. And I guess today, I'm not saying, "Yep, this is the best and highest use, and the costs, for example, on Medicare Advantage are acceptable, and therefore, we should plow ahead."

GOLDSTEIN: What I was about to ask you, is there anything else that you would nominate to generate to free up some of that money instead?

BRADLEY: Yeah. I think on Medicare, both on the fee-for-service side and the Medicare Advantage side, they both suffer from the same thing that the overall healthcare system suffers from, right? There's a reason premiums are going up faster than social security. Healthcare costs are going up faster.

I have some hope that combinations of AI, the regulation of the practice of medicine... By the way, we have a shortage of doctors. We need to figure out ways to expand the provider networks in ways that, basically, the traditional protectors of the doctors and nurse practitioner relationships don't wanna do. Same true, same was true with pharmacists, that technology may enable us to do. If we don't take advantage of those, we have no chance of bending the cost curve. I think those are reforms that are not unique to Medicare. I think they're across the healthcare system. I think they're especially hard because so much of this is at the state level, but that's an important part of the national conversation.

If what we do is take the overall healthcare system and go, "Gosh, what we really wanna do is cram down the spending overall in this program because it's federally funded." CBO tells us what happens, that we make that up in other parts of the system. Now, you may not make it up one for one, and it shows up in different places. But overall, if you can't control the overall systems, we're just shifting around the deck chairs of who we're gonna make to pay today.

GOLDSTEIN: Okay. I'm gonna ask you the same question, Lee, since you two have already exhibited a tendency not to be unanimous in your way of seeing things. Total price tag and how you achieve it.

GOLDBERG: Yeah. I would say, first of all, we would like to see SSI continue to be funded through general revenue. I think using Medicare dollars to reform SSI, even if those are good reforms will just make Medicare modernization that more difficult. I noticed in the, in in the paper, one of, one of Wendell's papers, he doesn't wanna raise the cap too far, the tax cap on Social Security benefits, because we need to save some pay-fors for future benefits, for future priorities. And I would say the same thing with this. We need to save potential changes to Medicare Advantage for improvements in Medicare.

And I think for, I mean, MA is a difficult issue. We don't have a position on this yet. It's really, we need to have a lot of internal discussion. I think like a lot of industries or sectors of the economy, we have a lot of union members who are on MA. At the same time, MA was sold to Congress as a way to provide Medicare benefits at, I think it was, like, ninety-five percent of the cost of traditional Medicare. And we should hold MA to that, accountable for that, frankly. I know you mentioned the cost, the rising cost of healthcare, and I, the pedantic part of me just thought about Bob Berenson at Urban Institute, who whispered in my ear, "It's prices, not costs." And there's a big difference. There's a lot of profiteering going on. I think we don't have a position on MA yet. But it's a hard issue 'cause as you said, there are gonna be... There's real trade-offs and there's there are, half the program depends on MA right now.

GOLDSTEIN: Bill, costs and how you get there.

SWEENEY: So I, look, I would agree with everything that's been said. There's a lot of different pay-fors out there, and I think I might take a little bit of a different position around MA, and, Wendell would disagree. But we would advocate to let traditional Medicare cover dental, vision, and hearing so that original Medicare can compete on the same playing field with MA. And I think we-- people vote with their feet, and they ought to be able to vote for an original Medicare that covers the whole body, not just parts of the body. I would say this on the pay-fors is the, and I think what's said in the cost makes sense. It is the... The cost is the cost, and so you have to build it in.

But looking at the bigger landscape on Social Security solvency, where we would... And I, this, the, we talk about squeezing the balloon in healthcare. We think about the same way in health, in Social Security is cutting benefits for some people to pay for benefits for other people. It's all just squeezing. The same dollar amount is the same dollar amount. So whether you fill that by raising taxes or by cutting benefits, it doesn't change the dollar amount. And I think I would say the same thing for these other ideas, which is there's a hundreds of pay-fors that Congress could look at.

There's hundreds of ways to do it. I wouldn't want to pick and choose something today that says, "This should go here and that should go there," but rather to say, "These are some decent pay-fors that are out there, but they could be used for lots of different priorities." And look, we all I'm cognizant it, we talk about this at AARP all the time. We've got a Medicare Part A trust fund that is that they say is insolvent in twenty thirty three. And we need to address those issues too. And I would be careful about taking pay-fors off the table now when we're gonna need lots of different, a lot of creative options when we get to the 2030s to figure out how we're gonna pay for these important things.

GOLDSTEIN: Okay. So you're in-

BRADLEY: 2029.

SWEENEY: Or 2029.

GOLDSTEIN: So you're in the, time will tell and we need to figure it out, camp. Okay. Let's circle back to Social Security solvency. I don't know about you four, but I was struck that three of the four former House members who were on the stage before us returned to the old adage about Social Security being the third rail of American politics. And it wasn't clear to me that the fourth who didn't say it would disagree.

So Wendell's proposal has, as you've seen, a lot of moving parts. And one of the fundamentals of his proposal is that it should be a mix of tax increases and benefit reductions, and that's his view of how you get to something that might achieve bipartisan agreement someday in the future. So I'm wondering if we can just go down the row and each of you describe one element of this proposal that you really like and one that you absolutely disagree with.

BRADLEY: Let me first start by saying the practical reality is it's gonna take a mix. There's just, I, there's no way you will ever convince me that there's gonna be a Social Security deal that is entirely on the revenue side or entirely on the benefits side.

GOLDSTEIN: You've just made this man sitting over here very happy.

BRADLEY: He's right. We disagreed about a lot of things in the years we worked together. But he's a smart guy, and he understands how the political system operates. And doesn't mean that he, I bet he probably doesn't even like that. I don't like that conclusion. Probably for different reasons, but that's the practical reality of how these things have to operate. What do I like? I've become traditionally in favor of, we have to do something on the retirement age. I think the creativity of beginning to split it off and understanding that for some Americans and their occupations and their roles, elevating the retirement age with everyone may not make enough sense.

I don't think there's a perfect way of doing that. In some sense you wanna, you just wanna say nope, the age is the age, and it applies to everyone. But I think that type of creativity is something that we're gonna need. And I don't know if all the parameters are exactly right, but wholesale going in that direction I think is a fruitful enterprise. It won't surprise folks that that when we think about on the revenue side either, either lifting the cap or, the across-the-board increase, they both kinda have trade-offs.

I think the thing that... And we haven't put pen to paper on this, and we haven't studied it. But the thing that interests us the most that we think about in all of these trade-offs are running them through not just the analysis for what do they do with respect to Social Security revenue and solvency, but what are the marginal impacts on economic growth?

One of the bigger problems that we have is CBO, all the forecasters, we're looking at a future of 1.8 percent real GDP growth. That is a huge problem, right? Because it is really hard to generate the revenue that the government needs, let alone the type of economic opportunity that most people demand. There are lots of reasons for that we don't have time for this panel. Deserves its own separate Brookings panel. But I think taking into consideration as we make major tax and benefit decisions, understanding how they impact the margins on respect to growth is really important.

I've become intrigued for that very reason of saying listen, if the concept is we really wanna target the upper income, that's what we do with lifting the cap. Do we target the upper income today on the revenue side, or do we target it with a benefit cap? Hundred thousand's been proposed for a couple, for example. I think those have very different effects on growth because the marginal incentives for growth that are worthy of being evaluated as we look at each of these proposals.

GOLDBERG: So I would say we really like the immigration provisions and-

BRADLEY: I should have said that. We love immigration.

GOLDBERG: Yeah. We love, we like the immigration provisions--

BRADLEY: AFL and the US Chamber agree on immigration.

GOLDBERG: Yeah. Although with the caveat that I think we have in mind some visa reforms that I'm not sure you agree with, but in --

BRADLEY: Can we have more?

GOLDBERG: As long as the as long as the workers can control them, yes. So-

BRADLEY: Give me more and let's work out a deal.

GOLDSTEIN: This conversation just went in a different direction.

GOLDBERG: All right. So really, we really like that that element. I'm gonna be say no more on that so I can say two things that we really are concerned about. One is and this is fundamental, the insistence on the 75-year solution. 75 years, it's a great analytical exercise. I understand the trustees do this every year. It's useful for seeing where the program is going. Our ability to forecast the economy 75 years out is terrible, notoriously bad. To ask people to make real sacrifices for some prediction that is unlikely to come true, that's gonna be course-corrected halfway through because the economy's gonna take a different direction, is really just wrong, in our view.

I think if we can make some changes, and we have some ideas, and get 30, 40, 50 years of solvency out of push out solvency 30, 40, 50 years, great. Call it a win, move on to the next issue. The second thing is we would focus on revenue. Lifting the tax cap, putting in some sort of net investment tax to broaden the base. According to the folks across the street at the Peterson Institute, that would take care of 91% of the funding gap. There is no reason to ask people to cut benefits when you can take care of 91% of the funding gap, and that's a 75-year gap just through revenue. It's really just unnecessary pain. So I'll ... you asked for only one, I went to two. I'll leave it at that.

GOLDSTEIN: Okay. Thank you. Jessica?

JOHNSTON: I think the opportunity to streamline benefits is the most appealing thing for me is to align systems, eligibility rules, and make it easier for older adults to receive these benefits. I think from an operator perspective the part I have the biggest challenge with is grouping Medicare Advantage into sort of shore up the solvency. I think that combining those two things is going to be politically difficult, and I think it also ... there's going to be a lot of pushback, I think, and some ageist discussions as we get into this. And I think finding ways to for the next generation to be invested in this as, in, in this as well is going to be important. And I think having a very singular focus on Medicare and Social Security makes it maybe feel like it's not enough for them or there's nothing in it for them. And so I think we have to find ways to balance that so that we don't find ourselves in an ageist us versus them conversation.

SWEENEY: Well, I would say-- look, the first thing I would say is I think I, I give a lot of credit to Wendell. This is a really tough thing to come up with, and I think it's really hard to put together a bipartisan group of people that can agree on anything these days. And we've been urging people to come together and put out ideas. I think that's a really important thing. And I think there's a lot of small pieces in here that are really great. But I would underline some opposition, strong opposition to cuts. When we ask our members, when we ask older adults, when we ask younger adults, "How are you feeling about retirement?"

No one's saying, "You should cut my Social Security." Eighty-one percent of Americans say, "Don't cut Social Security to save it." And for those of us who were born after 1960, our retirement age already went up, right? We've already given at the office. Our Social Security was cut by 19% because of what happened in 1983. 1983 cut Social Security by 19% for younger people, and the idea that we would compound those cuts for the next generation, I think, should be taken off the table. We can do this with revenue. We can do this in other ways. There's lots of tools in the toolbox to fix this without cutting people's benefits, and I think that's the solution we should look at.

Because the truth is, the-- we have a retirement crisis in this country, and we're not hearing anybody say, "I'm feeling good about where I am." And what we need to be doing is really looking at a different approach there, not cutting Social Security, and also giving people additional ways to save for retirement and to have a more secure and stable future. And I think those are all things that we can do at the same time without this. We gotta think outside of this box of it has to be half this and half this. I think it, it ne- we need to look at what people need and what people want. And I will also just say, I think what we're seeing in Washington is folks in Washington coming to terms with where the rest of America is, 'cause that is the position of Americans everywhere.

And what we're seeing is a change in Washington where people are beginning to see that on both sides of the aisle. We talked to, they, they mentioned Trump is against cutting raising the retirement age. He's against cutting benefits, and we're seeing the same thing on the Democratic side. And I think there might be some magic to be had in the next 10 years or so where we could actually find some a bipartisan solution that doesn't, that isn't in the same box that we've been in since the 1980s.

GOLDSTEIN: Okay, I wanna leave at least time for a couple of questions, but I wanna ask one final question of the four of you. To state the obvious, whenever Congress does join the Social Security debate, each of your organizations is gonna wanna have a loud say. So as you're thinking about when you need to be ready for, I just want you to each name a year when you think the debate's really gonna begin. Just a year.

BRADLEY: 2027.

GOLDSTEIN: Okay.

BRADLEY: First, first senator, senator elected this fall will have to deal with it in their first term. Some of these men and women are understanding that that's not very far away.

GOLDBERG: 2029.

JOHNSTON: 2029.

SWEENEY: I'm gonna do two answers. I know that's not fair, but it is happening where I live. At AARP, we're having the debate every day. And our members call us every day about it. So it, the debate is, the debate is had in America. Whether in Congress, I think in, I'm a little bit more pessimistic about Congress. I think 2032.

GOLDSTEIN: Okay. So you're the precipice of crisis voice.

BRADLEY: December 31st.

SWEENEY: I think if you look at Congress's behavior over the last 10 years I've not seen them address any issue, not even one, not even easy issues, before it's absolutely... They can't even do the annual funding deadline by September 30th. Why would they do something as hard as this four years in advance? And I would love them to. We all would love them to, right? They should. But if we're being realistic, if I'm being realistic and I'm trying to plan for where we're going I think likely it's gonna be right at the precipice, and they're gonna get forced into it.

GOLDSTEIN: Okay. So you're...

GOLDBERG: If I could just, if I could just add one thing, which is really a thank you to Wendell and his colleagues because I think it's discussions like this that may hopefully push us closer, sooner than 2032.

GOLDSTEIN: Okay. Does anyone in the audience have a question? Yes. A microphone is coming.

AUDIENCE MEMBER: I was intrigued by a piece in the New York Times opinion section yesterday in which Senator Bernie Moreno, Republican Ohio, Senator Elizabeth Warren, Democrat from Massachusetts, laid out their proposal to raise the income limits and said it would raise a lot of money, and they think it's the way to go. What, how significant is it, not either is what they did either in a political sense, the fact that this Democrat and Republican came together, or in a substantive sense of that particular proposal? Does, did that plan, that, that piece in The Times yesterday warrant attention, or is it gonna change things much? So what's it tell us?

GOLDSTEIN: Okay. Thank you. Who wants to take that?

GOLDBERG: I would say it's important. I know a couple of weeks ago we saw Senator Moreno as well as Senator Scott on the Budget Committee voice support for getting rid of the tax cap. We strongly support that. There is no reason why we should be giving people who make a, over $184,000 a tax break. I cannot explain that to union members across the country. It is just, I don't want to say immoral, but wrong. And on the other, at the same time, hopefully it will add momentum. There is legislation now in the House and Senate that would get rid of the tax cap. Senator Schatz has a bill, and Senator-- Representative Simon from California just introduced a bill this week. I'm hoping there's growing support. We're certainly gonna be pushing for that.

GOLDSTEIN: Do you agree, Neil?

BRADLEY: I disagree. I think I can explain to union members why it's a bad idea. I think I can explain to a lot of people why it's a bad idea. If you just have income from 184 and a half to 200, that's a a 12.4, that's almost a 2000 dollar a year tax increase between the employer and the employer side. We have a system that's-

GOLDBERG: On marginal taxes. On marginal income.

BRADLEY: On your income. I, I-

GOLDBERG: No, marginal income.

BRADLEY: You... on that additional 15,500 dollars, you're gonna pay an additional one, six... I'm gonna round up to two 'cause I can't do the math that fast. That was noticeably absent from some of their calculation. We should have a conversation about the right ways to divorce what people pay in taxes from what they receive in benefits. I would argue, as I did earlier, that I think from an economic growth perspective, that if the idea is that I really want to effectuate change at the upper incomes because we can't afford the whole system, by the way, someone with $200,000 in income likely has a decent a private sector kind of retirement program in addition to Social Security. The concept that a dual income couple at that income is gonna get more than $100,000 in benefits at retirement, to me also seems like, gosh, something that we can't afford given the insolvency of the system, and I think that would be a better approach.

In terms of significance, I think the significance is and to my point about 2027, maybe it jumpstarted the debate. I don't know that it's significant in signaling a sea change of where people or parties are on this issue. I think the fact that we haven't discussed these issues for quite a long time, unfortunately, rich, means that there's a lot of education about the pros and cons of all of these approaches but I think it signaled or jumpstarted the debate.

GOLDSTEIN: Okay, one more. One more quick question, and I'm gonna go to the red hat in the edge.

AUDIENCE MEMBER: Hi, my name is Zach Mizell. I'm a millennial, and as every day that we don't reach an agreement on these issues, my generation is left with more debt and less cash in the trust funds. So I'm very motivated to get something done and hopefully start this debate or accelerate this happening this year. Is there anything that each of you can collectively agree on to get this process started? I know you have many differences, but just some small thing that we can start to build off of.

GOLDSTEIN: Okay, we're gonna need quick answers. We've got-

BRADLEY: How about this? Failure is not an option.

GOLDSTEIN: Okay. That's your answer. Lee?

GOLDBERG: Immigration, perhaps.

GOLDSTEIN: Jessica?

JOHNSTON: Some increase to the tax cap.

SWEENEY: Look, I was, to get it started, it's an election year, and everyone who gets elected to the Senate this year is gonna be in office in 2032, and they're gonna have to make what-- or 2029-- between now and 2032, and they're gonna have to make this decision. And if people don't ask people who are running for office what your position is, then they're not gonna take one. And so they don't, they wouldn't take a position on any other issue. And so if we're not asking people about their positions on Social Security and Medicare, then they're not gonna take a position. So that's the thing we should do.

GOLDSTEIN: Okay. Thank you all very much, and I think Wendell is gonna introduce our closing speaker.

PRIMUS: I'll make this quick 'cause I'm taking time away from Jack. And we we became friends when he was a younger person than I. I was a young staffer to Dan Rostenkowski, who hated the Greenspan Commission, would not allow any of his Democrats to be appointed to the commission because he thought that was the role of the Ways and Means Committee and not any commission. But Jack played a very important role as a between O'Neill and the president, between Bob Ball and Tip O'Neill. And so I'm just honored and privileged to have Jack come up and give wise comments.

Believe me, he was the Treasury Secretary, the 76th one. He was OMB chief. He was chief of staff to Obama. He had a high-ranking position in the State Department, and the last public position was our ambassador to Israel. And then let me just conclude saying I appreciate all the speakers and the panelists. I may not agree with everyone, but I really think this was a rich debate today, so thank you. Jack, it's all yours to have the last word.

LEW: Thank you Wendell, and to Brookings for pulling this terrific discussion together and for focusing everyone in this room and everyone who's going to be watching who's not in the room on the enormous challenges ahead. Focusing on the need for a bipartisan plan because it's the only way there's going to be a solution that can pass through Congress. I think we've heard a number of things today that make clear that in one form or another, failure is not an option, because a 22% cut in benefits will not be tolerated by the American people. The question is how we solve that. Do we leave Social Security on a sound financial footing? And in the course of it, do we solve some of the problem of elderly poverty, even if we can't do all of it? And it is going to be a moment in time that has to come sooner, not later.

I want to start with a little personal history. I actually started thinking about Social Security before I worked for Speaker O'Neill. I wrote my undergraduate senior thesis on the history of Social Security. And I still get chills when I think about going to Hyde Park and reading what FDR put in the margins of things, where you see that the ideas and the words that have become part of our history came in large part from the president of the United States. We heard a lot about leadership. We need a new generation of leadership to take responsibility for charting a course.

It was an unlikely moment to create a program like Social Security. Remember, it was the middle of the Great Depression. We were taking money out of the economy, out of the pockets of consumers, promising benefits quite a ways over the horizon. Turned out we raised so much revenue we had to speed up the paying of benefits because of the pressure of having those reserves build up.

The aim was lofty. It was to protect people from cradle to grave and to eliminate the scourge of elderly poverty. In 1935, elderly poverty wasn't either 6 or 10%, it was 50 to 80%. So when you ask, what can government do? Government didn't end all elderly poverty, but it took it from 50 to 80% down to the numbers we're talking about today. And as we've discussed today, there are things we can do to bring it down even more.

You know, as we look ahead to the depletion of the old age fund in 2032, the question isn't whether we have technical capability to solve it. The question is, do we have the political capability and will to solve it? We did face this problem before. When Social Security was approaching its 50th anniversary, there was a projected exhaustion date for the trust fund of 1982, I believe it was. And there was a negotiation between then President Reagan and Speaker O'Neill to do an interfund transfer, to take money from disability, put it into Social Security to buy a little time and to create a Greenspan commission, which as Wendell said, was not a small thing in terms of the barons on the Hill.

Why 1983? Because it was the low point of the political cycle. It was the moment when, at that time, there was at least the possibility of reaching some kind of a bipartisan agreement. And It wasn't that there was a disarmament, as Dick Gephardt said. As anyone as old as some of us are remember, the 1982 congressional campaigns were largely fought over a plan to cut Social Security. The then secretary of Health and Human Services, Richard Schweiker, put out a plan. We Democrats thought the plan went way too far in cutting benefits, and we were rather aggressive in making that point clear, and we won back enough control that there was a real balance of power between the Congress and the President in the period going forward.

But what we didn't do in 1982 was make toxic all the possible solutions. There was extraordinary discipline not to do that. The easiest thing in the world is to kill options before they even have a chance to be in this process of bipartisan compromise. As Neil said so well, we're all gonna dislike something in a bipartisan compromise, and the secret is, at the end, you actually also feel really good about it because you got something important done. And that's how our democratic process works. And as Dick Gephardt was saying, that's how representative government works. Alan Greenspan deserved a lot of credit for the commission, and I know everyone here joins me in expressing condolences to Andrea and the family on his passing this week at 100.

But as was noted earlier, it wasn't the commission itself that solved the problem. And this is where I wanna draw a connection between that commission and the Andrews Air Force Base negotiations, which were discussed by the first panel. There was a back-channel negotiation between Ronald Reagan and Tip O'Neill, and there was a character in the middle of it, the former commissioner of Social Security, Robert Ball, who, for unlikely reasons, was trusted by both sides. During the Nixon administration, I believe, he had become trusted by Dick Darman, who was a junior person in the department of HEW at the time. He was the last of the founding generation of Social Security, and he was an icon to Speaker O'Neill. After each meeting, he would go back and forth and talk to Darman and to me and to Wendell, and we would talk to Mr. O'Neill, to Danny Rostenkowski. I assume they were talking to President Reagan. I didn't have visibility into that. And we knew where each other were. There was a kind of a hands-off negotiation.

Now, it wasn't like Andrews Air Force Base, where everyone was sequestered in a room and you didn't get out until you reached an agreement But it involved negotiation between the principals. Other commissions didn't have that character. If you don't end up having some way for the principals to know where each other are, a commission is a very different mechanism.

I think it's important to remember that both the 1983 Social Security reforms and the Andrews Air Force agreement in 1990 had to pass Congress. Key provisions in 1983 were left for Congress to decide. There was a vote on the floor of the House. It was the great Pepper-Pickle debate. Claude Pepper wanted to raise taxes. Jake Pickle wanted to raise the retirement age. The House voted to go with the retirement age, and the House went with that. Congress had a role. As was said earlier, Newt Gingrich opposed the deal. In 1990, the deal came down. It had to be renegotiated. There-- we're gonna have to deal with the reality that anything that happens here will have to pass the Congress, and that's going to mean compromise.

Just a few takeaways from the 1983 experience to looking ahead at, I hope, not beyond 2032. The problem is political, not technical. The, any of us who've worked on Social Security could sit down in an afternoon and come up with a plan that we either supported or loved. More likely supported, because it's gonna require things that wouldn't be your first choice to get over the political hurdles. But it's not just arithmetic, it's hard choices, and ultimately, that means compromise. It's going to have to be on the benefit side and the revenue side. It's fine for starting positions to be that we shouldn't have benefit cuts, that we should minimize benefit cuts, or we shouldn't have tax increases, or we should minimize tax increases. But I would say that as Dick Gephardt talked about disarmament I don't think is possible, but an understanding to keep it down, to keep it to the level of core principles and not to have a scorched earth so that all the options are destroyed.

That's a challenge for now, not for '28, '29, or '30. But keeping the funding inside to protect Social Security, it wasn't an accident that the payroll tax was used. It was a deliberate decision. It was made by Roosevelt. It was that if you pay for it, you can't, it can't be taken away from you. The workers paying for it, even if it's a regressive tax, was a way to make it a matter of right. I think we all know what happens to means tested programs. They're very vulnerable. AFDC, Aid to Families with Dependent Children, was part of the Social Security Act. So welfare reform took away AFDC as a matter of right, and it rolled it into a block grant. Just this year, we've seen the biggest cuts in history to the later additions to the social safety net, to food stamps, SNAP, and Medicaid. I, for one, think it's important to keep that bond between the worker and the right.

That doesn't mean we can't ask questions about has something changed in the nature of what is income. I tend to be very esistant to the idea of expanding it beyond wages. But Bob Ball, who was a great mentor to me, towards the end of his career and life, supported putting some portion of the estate tax into Social Security on the theory, I think, that income was shifting from wages to never-taxed capital gains. I don't know that I would support that. I think it ought to be discussed. The fact that a balanced plan needs to include revenues and and some changes on the benefit side, whether your bias is towards one or the other, there has to be an understanding that the tax increases can't be so great that it either just breaks the back of working people paying the taxes or businesses trying to stay profitable, and the benefit cuts can't hurt people who can't bear the pain.

And I think some of the things that are in the work that, the really commendable work that Wendell and the team here have done, is it's trying to think of creative ways to deal with that.

Too, on the benefit side, if you're gonna talk about the retirement age, treat people at the upper end on the benefit side differently than you treat people who are depending on every penny to pay their bills. We didn't have those kinds of highly refined options in 1983. We can actually do things that don't hurt people but do get you the savings you need. I think everyone would agree that benefit changes can't change people for people who are already retired. But it's important that it not just be that it takes effect tomorrow if you retire tomorrow, which is one of the reasons why kicking this to 2032 or 2030, beyond 2032 is so dangerous.

You run out of space because it takes time. Taxes can go into effect relatively more quickly than benefit changes. If you're 65, you can't make a lot of changes in what you do when you're 40. It, that moment has passed. We phased in the retirement age change in 1983. Correct me if I'm wrong, Wendell, it just was finally phased in a year or two ago. It's almost 50 years it phased in. Now, I don't think we have that kinda time now. So we're already running short of time.

Now, on bipartisan action being a matter of necessity it was during 1983 that Social Security won the description of being the third rail of American politics. And the only way to protect against being, electrocuted on that third rail is to do it together. That's the moment for disarmament. The moment when Speaker O'Neill and President Reagan at the same moment embraced the same provisions was the moment when they knew that neither one was going to do anything to hurt the other. It wasn't in the early stages. It wasn't in the middle stages. I don't even know if I told Wendell this. He, he and I thought that we had done the hard part by getting the legislative details so that our bosses could endorse it. There were difficult discussions because the speaker was in California and the president was in Washington, and neither one wanted to say they supported it unless they did it at the same moment. That's how you protect each other. You have a bipartisan deal, and you do it together. It's not based on saying you don't have difference of opinion.

It's not saying that you don't want it to be more towards your preferences than another. But I can't think of anything more important facing the next president or the next Congress. It will be in the next president's term. It's already gonna be in the next senator's terms. And the challenge is going to be at a moment when our political system has led to the kind of dark discussion that we started today with in terms of the impossibility of the system to work, for Social Security to be a chance for the system to prove itself. Now, when you have something that people aren't willing to give up and aren't willing to lose, it may just give you that opportunity to start to ref- restore the functionality of our political system and build a little bit more confidence and faith in the potential of our political system. I think 1983 accomplished that.

There was a lot more trust in government after Social Security was fixed. And in terms of the 50 years, 75 years, we thought we solved the problem for 75 years in 1983. It's gonna be just shy of 50. If we could think we solved it for 75 years and other people have to deal with it in 50 years, not a bad day's work. So let's shoot for 75, and this is going to be something that a future generation will have to revisit.

And I look at this room and I see people that were even younger than me when they started working on Social Security, like Jack Smalligan. I was maybe 25 or 26. Wendell was a voice of experience already about 10 years older than me. I think that we probably are as proud of having had a hand in 1983 Social Security reform as anything else we did in government. And I hope that the people who are working on it now get to get that same accomplishment. Thank you.