

Greenspan 'Rash and Wrong' on Social Security Deficit, Says Former House Aging Committee Staff Director

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MIAMI, Feb. 25 /U.S. Newswire/ -- Bob Weiner, former chief of staff of the House Aging Committee under Claude Pepper (D-Miami), asserts that "Federal Reserve Chairman Alan Greenspan's testimony today calling for reduced social security benefits is rash and wrong and based on an incorrect myth of a Social Security deficit." Weiner points out that "the Trust Fund is solvent for 39 years -- the trustees even added a year to the projected solvency last year -- and that baby boomers aren't booming with babies themselves, having record low births. In addition, people are working longer, paying into the system. The fund will actually be even more solvent with fewer withdrawals down the road."

Weiner asserts that "what many political leaders and 'flamethrowers' are actually doing -- now uncharacteristically including Greenspan -- is using solvent Social Security money to reduce the overall federal deficit." Weiner is calling for "the same courage today that Claude Pepper displayed 25 years ago in fighting against benefit reductions such as delaying eligibility, reducing the cost of living allowance, and voluntarizing the program."

Weiner remembers "Pepper's outrage in 1978 at Carter Commerce Secretary Juanita Kreps' statement about increasing the retirement age to 68 for full Social Security retirement benefits. Pepper demanded and got a meeting with Kreps. Senator Pepper kept saying he would 'fight it to our death.' Kreps asked, 'Even (delaying the start) to the year 2000?' He vehemently exclaimed, 'Yes!' Kreps finally responded, 'Well, I haven't made the proposal anyway.' That's how it's done, and that's the courage we need from somewhere now," Weiner asserts.

Weiner points out that "the baby boom is a short transitional factor. The 'boomers' aren't booming with babies themselves. The high birthrate of 2.9 which they represent (births from 1940-1969) is followed by their own parenting rate of 2.1 per woman (1970- 2000). Moreover, since 1990, there is a 10 percent increase in women having no children at all. The Social Security trust fund will later be making money by leaps and bounds with fewer people withdrawing from it.

"Moreover, if the economy improves -- as both parties are calling for and the President claims it will -- the taxes from workers will reduce or curtail the federal deficit as was the case in the 90s," Weiner says.

"Even if a short term fix is needed -- my own January 13 statement from Social Security says that under current economic conditions, payroll taxes will be enough to pay 73 percent of scheduled benefits by 2042 -- I have never heard any of the doomsayers report that soon thereafter, the boomers' own low baby-producing rates will mean that suddenly the system following them will be awash in funds - and that therefore the system should be then triggered to give more back to compensate. In fact, again at worst, assuming no economic improvement, the averaging out makes the system about right as it is, other than a possible short-term congressional loan down the road far under what we're now paying for the Iraq War or in tax breaks for the wealthy.

"It is time to quit scaring our seniors with false claims. Social Security should remain the third rail of American politics -- it should stay untouched," Weiner concludes.

Robert Weiner was staff director of the U.S. House Aging Committee, chaired by Rep. Claude Pepper (D-Miami), 1975-1980, and advisor to Pepper until Pepper's death in 1989. He is president of Robert Weiner Associates Public Affairs and Issue Strategies.


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