

# Joe Lieberman

UNITED STATES SENATOR



FOR IMMEDIATE RELEASE  
March 21, 2002

Contact: Casey Aden-Wansbury  
Phone: 202.224.4041

## Lieberman Statement on Social Security Resolution

We're here today to loudly and legislatively voice our opposition to the misguided proposals put forward by the President's Commission to Strengthen Social Security, which are totally inconsistent with Commission's name, because they would all weaken not strengthen the benefits we provide to retirees. That just doesn't make sense, and we say so with the Sense of the Senate Resolution we will be introducing today.

Social Security is a critical source of support for all retired Americans, present and future, and one of the best expressions of the shared values that truly make us a community. The payments Social Security provides are essential; the piece of mind and stability that go along with the money, no economist can quantify. The resolution we're offering today states that it is the sense of the Senate that we understand Social Security's economic value and appreciate its moral value, and that we won't let it be diluted, dismantled or dissolved.

Sadly, those are essentially the three options that the President's Commission lays out in its three alternatives for reforming the system. Two of the proposals require deep benefit cuts to retirees-one with cuts of more than 45 percent in 2075, according to the Social Security Administration's own chief actuary. Keep in mind that current payments to retirees work out to an \$845 average monthly benefit, or a little more than \$10,000 a year. Our resolution makes clear that such a substantial reduction would be a substantial threat to the very nature of the system, and to the lives of tens of millions of future senior citizens.

All three of the commission's proposals include some form of privatization, which is a dangerous mistake. All three plans are unworkable-requiring a \$1 trillion, up-front infusion of money we don't have, and not a penny of which is set aside in the President's budget. And all three are highly risky-the evaporation of Enron employees' privately invested 401(k)s demonstrated what can happen when nest eggs get scrambled in the market. Simply put, Social Security privatization would take away the safety from the safety net, and turn the idea of a rainy day fund into a sink or swim proposition. If you don't choose wisely, you

lose badly. And the government's response to bad luck would be to say, "tough luck."

Last but not least, without transfers of general revenue -- which would take money out of other important programs -- all of the Commission's alternatives will hasten Social Security's insolvency instead of helping to fix it. Last year, with budget surpluses and a stable fiscal future, we had an opportunity to end the Social Security shell game and get the system on firmer fiscal footing. This year, in his budget, the President is asking us to go deep into the Social Security surplus just a year after we made a bipartisan promise to the American people that we'd protect it, to pay for his fiscally irresponsible and unfair tax cut. It seems that the President has written off the lock box as a lost cause.

We need to be in a position of fiscal strength to grapple with the growing crisis of Social Security. But the President's tax cut has put us in a position of weakness. Regrettably, that gives the American people far less than the full, fair and fiscally responsible approach to their budget that they deserve. For now, all we can do is to speak out in support of our common values and common fiscal sense, and that's just what this resolution aims to do.

