

A Starting Point for Reform:
Identifying the Goals of Social Security
Hearing of the Special Committee on Aging
Senator John Breaux, Ranking Member

I am delighted to be here today, and I thank our distinguished panelists for joining us. I am glad our committee is at the point of taking a serious long-term look at what I think is the greatest issue facing our country with the exception of Medicare reform – the future stability of Social Security. I firmly believe that long-term entitlement reform is certainly a legacy that this President and Congress should leave behind. Moreover, I am pleased to work with Senator Grassley as the Aging committee takes a leading role in this historic debate.

The urgent need for reform is clear. The 1997 Trustees Report for Social Security set forth solvency predictions, which the trustees themselves described as “sobering.” This report described the aging of the baby boom generation as “requiring substantial changes and sacrifices by some or all Americans.”

As we look toward options for reform, Republicans and Democrats alike need to accept certain fundamental truths. The changing face of America has produced the ingredients of a potential crisis – smaller families, fewer workers, higher benefits, and longer life spans. While we can all be proud that both Social Security and Medicare have dramatically increased the quality of life for the elderly, the truth is simply that we live in times that hardly resemble 1935 when FDR signed Social Security into law. The public retirement program was forged in an era of economic hardship when no one could envision today’s complex demographics.

The current financial problems facing Social Security are not new, and we certainly do not need to spend months debating how to simply restore solvency. This debate is not just about financial reform. If we only want to balance the books we can rely on the same traditional fixes we’ve used in the past with Social Security and Medicare. I believe, however, we owe it to the next generation to do much more. Future generations should feel confident that Social Security will not only be there for them, but that it is also a worthy investment.

Already, several policy options are on the table. However, this hearing gives us an opportunity to step back and look at the more fundamental and underlying decisions our country must make. What do we want our public retirement system to look like in the 21st Century? What values, principles, and goals should guide us as we look towards reforming Social Security?

These are questions that must be answered before true reform can begin, and I look forward to the input from our witnesses today.