

Economic Security for Older Adults: *Recent Progress and Opportunities for the Future*



CHAIRMAN BOB CASEY (D-PA)
U.S. SENATE SPECIAL COMMITTEE ON AGING

A Note from the Chairman

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During my 18 years in the Senate, I have worked on behalf of older adults to ensure they can live full, independent lives in their later years. We have worked to ensure Social Security has the tools to serve modern beneficiaries, made progress in our efforts to crack down on scammers looking to take advantage of older adults, and have held companies accountable for tactics that exploit consumers. However, the work to protect older adults is not done. The Senate must continue to fight to protect older adults from scams and to ensure

Social Security—the most effective anti-poverty program in the history of our country— is solvent in order to provide support for the older Americans of today and for future generations.

Introduction

Within the next decade, the United States will experience an unprecedented demographic shift resulting in older adults outnumbering children for the first time in our Nation's history.¹ This change necessitates profound adjustments in public policy to enable older adults to live full and independent lives in their later years. Of particular concern to Chairman Casey and the Senate Special Committee on Aging (Committee) is ensuring that older adults are able to remain economically secure. Though progress has been made over the last Congress and during Chairman Casey's tenure leading the Committee, ensuring economic security for older adults and those nearing retirement is an on-going challenge and should be of paramount concern for legislators.

As the Committee has demonstrated in recent years, our Nation must tackle two crucial issues to ensure older adults are financially secure: 1) we must protect the Social Security programs that keep millions of older adults out of poverty and, 2) work to prevent the financial exploitation of older adults resulting in the loss of some or all of what modest savings they may have. Without sustained investment in Social Security and additional efforts to prevent financial exploitation and support those who have been victimized, older adults will increasingly become financially insecure, resulting in increased demand for federally funded health, housing, and other social services. They may have to exclusively rely on federal benefits, like Supplemental Security Income (SSI), Medicaid, the Supplemental Nutrition Assistance Program (SNAP), and other safety net programs—the very benefits that Republicans have promised to cut in the next Congress, in order to offset tax cuts for billionaires and corporations.²

Social Security

Currently, there are more than 17 million adults aged 65 and older who are unable to make ends meet; older adults of color and women are disproportionately affected by economic instability.³ In 2019, nearly half of older adults received 50 percent or more of their household income from Social Security.⁴ Social Security is the Nation's most effective anti-poverty program, and tens of millions of older adults rely on their modest monthly benefits to put food on the table, maintain their housing, and offset the costs of their medications. Estimates show that Social Security benefits keep over 16.5 million older adults out of poverty.⁵

However, due to stagnant federal funding, the Social Security Administration (SSA) is ill-prepared to meet the needs of the increasing number of Social Security beneficiaries. For instance, wait times for service and benefit determinations are significant and errors are often made when determining the benefits owed to Americans.⁶ Without further investment in Social Security, the benefits working Americans have paid for are at risk and delivery of benefits will continue to suffer. A comprehensive, bipartisan solution is needed to address this crisis.

Recent Work by Chairman Casey and the Aging Committee to Strengthen Social Security

To address access to Social Security programs, improve service delivery, reduce wait times for services and benefits, and address the increasing costs older adults and people with disabilities face, Chairman Casey has introduced and supported numerous pieces of legislation. This legislation includes:

- The **Boosting Benefits and COLAs for Seniors Act**, legislation that would change how the cost-of-living adjustment (COLA) for Social Security benefits is calculated, ensuring older adults would receive the highest COLA possible, increasing their overall monthly benefit.⁷
- The **Surviving Widow(er) Income Fair Treatment (SWIFT) Act**, which would expand Social Security benefits for widows, widowers, and surviving divorced spouses and fix outdated restrictions on claiming benefits that often significantly reduce their Social Security benefits.⁸
- The **SSI Savings Penalty Elimination Act**, which would increase the asset limit for Supplemental Security Income recipients from \$2,000 to \$10,000. Due to inaction by Congress, the SSI asset limit has not increased since 1984 and, as a result, SSI recipients cannot save for an emergency or a large expense without losing their benefits.⁹
- The **Social Security Fairness Act**, which would boost Social Security benefits for former first responders, teachers, and other public service workers by eliminating provisions that currently reduce their benefits.¹⁰

- The **Stop the Wait Act** would eliminate the waiting period for Social Security Disability Insurance (SSDI) benefits. Currently, SSDI recipients must wait five months to receive their cash benefits and an additional 24 months to receive Medicare health care coverage.¹¹

In addition to proposed legislation, Chairman Casey has used his role on the Aging Committee to conduct oversight and advocate for further investment in Social Security.

In March 2024, Chairman Casey held a hearing to address the status of SSA and its operation of the Social Security programs. In his first appearance as Commissioner before the Senate, Commissioner Martin O'Malley spoke to the Committee about the needs at SSA, his efforts to bolster the quality of benefit delivery, and his work to improve employee recruitment and retention.¹²

In October 2023, Chairman Casey convened an Aging Committee field hearing in Chester County, Pennsylvania to discuss the need for reform of Social Security's benefit delivery systems.¹³ The hearing witnesses testified to the program's pivotal role in reducing poverty for tens of millions of Americans, as well as the desperate need for robust federal investment to improve customer service, reduce delays in benefit determinations, and increase employee recruitment, retention, and morale. By convening hearings featuring beneficiaries and workers from around the Commonwealth and across the Nation, Chairman Casey has been a leading voice in the Senate advocating for Social Security reform.

Chairman Casey has also sent numerous letters to Congressional appropriators asking for robust investment in SSA to combat long-term problems such as extensive waiting periods to determine eligibility for disability programs, long hold times when calling Social Security offices, the use of outdated technology, and significant understaffing of field offices.¹⁴ Unfortunately, Senate and House Republicans have continued to dismantle SSA's funding structure, endangering the very benefits that Americans are entitled to receive.

Future Steps to Address Social Security Problems

To uphold our Nation's promise to Americans, Congress needs to undergo a thoughtful, transparent effort to strengthen Social Security programs, not take a fast-tracked and closed-door approach as has been suggested by Republicans. Republicans have championed this idea through support for a "fiscal commission," which is designed to undermine Social Security.¹⁵ As advocates and the Biden Administration have suggested, this commission would be a "death panel" for the program.¹⁶ Moving forward, Congress should:

- Resist Republican efforts to raise the retirement age and slash benefits. As recently as this past spring, the Republican Study Committee, of which 80 percent of House Republicans are members, released a budget proposal calling for an increase in the retirement age and a decrease in benefits.¹⁷
- Address shortcomings in Social Security programs by passing legislation to increase the benefits of widows and widowers (the *SWIFT Act*), raise SSI asset limits (the bipartisan *SSI Savings Penalty Elimination Act*), eliminate long waiting periods for SSDI benefits (the *Stop the Wait Act*), and stop reductions of cash benefits for Social Security retirees (the bipartisan *Social Security Fairness Act*).
- Address solvency issues facing the Social Security Trust Funds, which may become insufficient to cover all benefits by 2035.¹⁸ Without Congressional intervention, beneficiaries will receive only 83 percent of their entitled benefits.¹⁹ To address this problem, the wealthy must pay their fair share towards Social Security.
- Adequately fund the Social Security Administration. Both Republicans and Democrats have, in recent years, decried the service delivery issues at SSA. To address these issues the agency must have the funding to increase training, hire new staff, and implement new technology. SSA should receive at least \$15.4 billion in administrative funding for Fiscal Year 2025.²⁰

Financial Exploitation of Older Adults

According to the Federal Trade Commission (FTC), older adults lost nearly \$2 billion in 2023 to scammers, although FTC suggests that, due to underreporting, this figure could be a staggering \$61.5 billion.²¹ The number of older adults reporting scam and fraud losses greater than \$100,000 has increased more than 300 percent since 2020.²² To add insult to injury, some older adults who have been scammed are now also expected to pay taxes on the stolen funds due to the Republicans' 2017 *Tax Cuts and Jobs Act*, which cut a key provision from the existing law that allowed many individuals to deduct losses due to scams from their taxes.²³ Republicans removed this provision to pay for tax cuts for the wealthiest Americans and corporations.²⁴

Recent Work by Chairman Casey and the Aging Committee to Address Financial Exploitation

Prevention of elder financial exploitation has long been a focal point of the Committee's work in the Senate. As Chairman, Senator Casey has advanced those efforts by educating the public on the most common scams targeting older adults and exposing and addressing systemic flaws that limit the prosecution and investigation of these scammers.

Under Chairman Casey's leadership, the Committee convenes an annual hearing focused on scam education and prevention and releases a bipartisan "Fraud Book," along with other consumer education products. These products highlight new trends in scams to ensure older adults have access to up-to-date information on what to look out for, where to report possible scams, and how to find assistance.²⁵

In April 2024, Chairman Casey released a report entitled, *Scammed Then Taxed: How the Republican Tax Bill Hiked Taxes on Fraud Victims*, highlighting the devastating effects that the Republican 2017 *Tax Cuts and Jobs Act* had on scam victims.²⁶ Because of the Republican tax law, victims now often must pay taxes on the money they lost to scammers.²⁷

In 2019, Chairman Casey's *Stop Senior Scams Act* became law. The law created a federal advisory group at FTC, bringing together public and private entities to study and employ best practices to fight scams and elder financial exploitation.²⁸

The Chairman has also investigated the new tactics employed by scammers, including the use of artificial intelligence (AI) to deceive victims. AI makes it possible for scammers to impersonate loved ones, write realistic sounding emails, and tailor efforts to scam individuals quickly and cheaply. In response to the alarming use of AI to scam older adults, Chairman Casey sent oversight letters to FTC seeking to better understand the agency's response to the increased use of the technology.²⁹ Chairman Casey has also engaged law enforcement on how to improve the local, state, and federal response to scams, especially those utilizing AI.

Gary Schildhorn **Philadelphia, Pennsylvania**



In 2020, Gary was the target of a voice cloning scam. One morning, Gary received a call from someone who sounded exactly like his son. The caller said he had been in a car accident and needed Gary to help him post bail. Desperate to help his son, Gary scrambled to make sense of the situation and figure out how to assist. Gary was ready to deposit \$9,000 into a cryptocurrency ATM when he realized he was being scammed. The caller had used artificial intelligence, or AI, to clone

the voice of Gary's son in order to convince Gary to send him money. Gary's understanding of scam warning signs prevented him from losing those funds. In order to share his cautionary tale and warn others, he shared his story before the Committee in November 2023.

Future Steps to Address Financial Exploitation of Older Adults

With the expanded use of AI and other emerging technologies, older adults continue to be targeted by scammers. To thwart scammers' efforts and to protect older Americans, Congress should:

- Increase appropriations for the agencies tasked with responding to scams—notably, FTC, the Federal Bureau of Investigation (FBI), and the Consumer Financial Protection Bureau (CFPB). These agencies, particularly FTC and FBI, need significant investment from Congress to improve their investigations and data reporting systems focusing on scams.
- Direct federal agencies to work collaboratively and eliminate confusion in reporting and responding to scams. Chairman Casey's oversight has revealed that federal investigations into scammers, and even reports of scams, are stymied by cumbersome, duplicative systems, which create confusion for victims about where to report scams and what resources are available.
- Authorize and appropriate funds to support local law enforcement efforts to investigate scammers and their networks. The Committee has highlighted the tremendous success of the Elder Justice Task Force in San Diego County in investigating and prosecuting scammers. Similar efforts should be supported through federal grants.
- Restore the theft loss tax deduction, which was repealed in the 2017 Republican tax law. As negotiations begin for the 2025 tax law, the House and Senate should prioritize passage of the *Tax Relief for Victims of Crimes, Scams, and Disasters Act*.³⁰ This legislation would restore the deduction and allow those who have experienced theft from 2018 to 2025 to amend their tax returns and claim the deduction. The federal government should work to help scam victims, not further victimize them.

- Pass legislation to increase accountability for banks, peer-to-peer payment platforms, and cryptocurrency companies. Such efforts should include the passage of the *Protecting Consumers from Payment Scams Act*. This legislation would protect consumers when they transfer funds to a scammer and require institutions sending and receiving the fraudulent funds to share some of the liability.³¹

Kate Kleinert
Glenolden, Pennsylvania



Kate is the survivor of a romance scam, in which she depleted her savings and most of her retirement funds. Kate lost \$39,000 to the scammer, and due to a change in tax law instituted by Republicans in 2017, she was responsible for paying an additional \$5,000 in federal taxes on the stolen funds. Kate told the Committee that she was trying to rebuild her life after the scam and that this tax bill “felt like another kick to the gut.”

Conclusion

Over the next Congress, the Committee must continue its work to educate older adults on the risks of financial exploitation and address the flaws in our system, which allow scammers to operate unchecked. Banks have operated with limited liability, leaving consumers scrambling once they realize they have been scammed. New payment platforms, like peer-to-peer payment apps, and digital currency, like cryptocurrency, have proliferated largely without regulation, offering scammers an easier and quicker way to take advantage of older adults. While agencies have improved their efforts to fight scammers, there remains little coordination across federal, state, and local governments to investigate and prosecute scammers and return stolen funds to victims. Law enforcement models, like the Elder Justice Task Force in San Diego County, can and should be replicated across the Nation. Failing to do so would leave older adults exposed to attacks on their savings, whether modest or significant.

Additionally, Congress must take action to ensure Social Security is there for future generations. Tens of millions of retirees and their families rely on Social Security benefits, and as our population continues to age, the number of beneficiaries will only increase. Despite this, Congress has failed to take action to address one of the most urgent issues of our time: Social Security trust fund solvency. Without bipartisan compromise to offset the funding shortfall, the benefits that individuals have earned over their lifetime will not be able to be paid out in full. In addition, outdated provisions within the *Social Security Act* prevent SSA from adequately delivering for beneficiaries, including individuals with disabilities, widows and widowers, and public servants. Reform must come quickly, and be transparent, bipartisan, and holistic.

- 1 "Older People Projected to Outnumber Children for First Time in U.S. History," United States Census Bureau, (last revised October 8, 2021), <https://www.census.gov/newsroom/press-releases/2018/cb18-41-population-projections.html>.
- 2 Jacob Bogage, Jeff Stein, and Dan Diamond, "Trump allies eye overhauling Medicaid, food stamps in tax legislation," The Washington Post, (November 18, 2024), <https://www.washingtonpost.com/business/2024/11/18/gop-targets-medicaid-food-stamps/>.
- 3 "Get the Facts on Economic Security for Seniors," National Council on Aging, (June 1, 2024), <https://www.ncoa.org/article/get-the-facts-on-economic-security-for-seniors/>.
- 4 Analysis by the Congressional Research Service based on data from the 2020 Health and Retirement Study linked with administrative data from the Social Security Administration. The HRS indicated that the data was collected mostly via telephone or web due to the COVID-19 pandemic and restrictions on social contact.
- 5 Kathleen Romig, "Social Security Lifts More People Above the Poverty Line Than Any Other Program," Center on Budget and Policy Priorities, (last updated January 31, 2024), <https://www.cbpp.org/research/social-security/social-security-lifts-more-people-above-the-poverty-line-than-any-other>.
- 6 Kathleen Romig, "Long Overdue Boost to SSA Funding Would Begin to Improve Service," Center on Budget and Policy Priorities, (March 30, 2023), <https://www.cbpp.org/blog/long-overdue-boost-to-ssa-funding-would-begin-to-improve-service>; David Hilzenrath, Jodie Fleischer, and Cox Media Group, "Social Security Overpays Billions to People, Many on Disability. Then It Demands the Money Back," KFF Health News, (September 15, 2023), <https://kffhealthnews.org/news/article/social-security-overpayments-investigation/>.
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- 8 "S.2741 – SWIFT Act," Summary, Congress.gov, last accessed November 19, 2024, <https://www.congress.gov/bill/118th-congress/senate-bill/2741>.
- 9 "S.2767 – SSI Savings Penalty Elimination Act," Summary, Congress.gov, last accessed November 19, 2024, <https://www.congress.gov/bill/118th-congress/senate-bill/2767>.
- 10 "S.597 – Social Security Fairness Act," Summary, Congress.gov, last accessed November 19, 2024, <https://www.congress.gov/bill/118th-congress/senate-bill/597>.
- 11 "S.320 – Stop the Wait Act of 2023," Summary, Congress.gov, last accessed November 19, 2024, <https://www.congress.gov/bill/118th-congress/senate-bill/320>.
- 12 *Keeping Our Promise to Older Adults and People with Disabilities: The Status of Social Security Today*, Before the Senate Special Committee on Aging, 118th Congress, 2024, statement of SSA Commissioner Martin O'Malley, https://www.aging.senate.gov/imo/media/doc/d4c54a0f-abf8-b72a-435b-1681aad51718/Testimony_O%27Malley%2003.20.24.pdf.
- 13 *Securing Social Security: Accessing Payments and Preserving the Program for Future Generations*, Field hearing before the Senate Special Committee on Aging, 118th Congress, 2023, (hereinafter "Aging Field Hearing on Social Security"), <https://www.aging.senate.gov/hearings/securing-social-security-accessing-payments-and-preserving-the-program-for-future-generations>.
- 14 Most recently, Chairman Casey, Senate Finance Committee Chairman Wyden, Senator Brown, and 32 of their Democratic colleagues called on Senate appropriators to match the President's request of \$15.402 billion for SSA for FY2025, a nearly 9 percent increase over the FY2024 enacted level, (hereinafter "SSA Appropriations Letter for FY2025").

15 Jessica Corbett, "House GOP Advances 'Death Panel' for Social Security in Election Year," Common Dreams, (March 7, 2024), <https://www.commondreams.org/news/death-panel>.

16 *Supra*, note 8, Aging Field Hearing on Social Security, statement of Nancy Altman, https://www.aging.senate.gov/imo/media/doc/58708447-f30d-45f9-cbfc-2d749b6f0f5f/Testimony_Altman%2010.16.2023.pdf, at 11.

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22 *Id.*, at 20.

23 Senate Special Committee on Aging Majority Staff, *Scammed then Taxed: How the Republican Tax Bill Hiked Taxes on Fraud Victims*, April 2024, https://www.aging.senate.gov/imo/media/doc/scammed_then_taxed_how_the_republican_tax_bill_hiked_taxes_on_fraud_victims.pdf, at 5, 15, (hereinafter "Aging Majority Staff Report").

24 *Id.*

25 "2024 Fraud Materials," Senate Special Committee on Aging, last accessed November 19, 2024, <https://www.aging.senate.gov/scam>.

26 *Supra*, note 24, Aging Majority Staff Report.

27 *Id.*, at 5, 16-17.

28 *Supra*, note 22, FTC report, at 32.

29 Letter from Chairman Casey and Aging Committee members, Senators Blumenthal, Fetterman, and Gillibrand, to Chair Lina M. Khan, (December 5, 2023), https://www.aging.senate.gov/imo/media/doc/letter_to_ftc_re_ai_scams.pdf. In addition, Chairman Casey, alongside Aging Committee Ranking Member Braun, and all Committee members, sent a letter to FTC Chair Khan on May 19, 2023.

30 "S.3976 – Tax Relief for Victims of Crimes, Scams, and Disasters Act," Summary, Congress.gov, last accessed November 19, 2024, <https://www.congress.gov/bill/118th-congress/senate-bill/3976>.

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