

Legislative Hearing on the Social Security 2100 Act

HEARING

BEFORE THE

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Legislative Hearing on the Social Security 2100 Act

U.S. House of Representatives,
Committee on Ways and Means,
Washington, D.C

WITNESSES

Stephen C. Goss
Chief Actuary
Social Security Administration

Nancy J. Altman
President
Social Security Works

Kelly Brozyna
Member
Job Creators Network's National Women's Coalition

Shaun Castle
Deputy Executive Director
Paralyzed Veterans of America

Abigail Zapote
Executive Director
Latinos for a Secure Retirement



HOUSE COMMITTEE ON WAYS & MEANS
CHAIRMAN RICHARD E. NEAL

ADVISORY

FROM THE COMMITTEE ON WAYS AND MEANS

FOR IMMEDIATE RELEASE

CONTACT: (202) 225-3625

July 18, 2019

No. FC-16

Chairman Neal Announces a Legislative Hearing on the Social Security 2100 Act

House Ways and Means Chairman Richard E. Neal announced today that the Committee will hold a hearing entitled “The Social Security 2100 Act” on Thursday, July 25, 2019 at 10:00 AM in room 1100 Longworth House Office Building.

In view of the limited time available to hear witnesses, oral testimony at this hearing will be from invited witnesses only. However, any individual or organization not scheduled for an oral appearance may submit a written statement for consideration by the Committee and for inclusion in the printed record of the hearing.

DETAILS FOR SUBMISSION OF WRITTEN COMMENTS:

Please Note: Any person(s) and/or organization(s) wishing to submit written comments for the hearing record must follow the appropriate link on the hearing page of the Committee website

and complete the informational forms. From the Committee homepage, <http://waysandmeans.house.gov>, select “Hearings.” Select the hearing for which you would like to make a submission, and click on the link entitled, “Click here to provide a submission for the record.” Once you have followed the online instructions, submit all requested information. ATTACH your submission as a Word document, in compliance with the formatting requirements listed below, **by the close of business on Thursday, August 8, 2019**. For questions, or if you encounter technical problems, please call (202) 225-3625.

FORMATTING REQUIREMENTS:

The Committee relies on electronic submissions for printing the official hearing record. As always, submissions will be included in the record according to the discretion of the Committee. The Committee will not alter the content of your submission, but reserves the right to format it according to guidelines. Any submission provided to the Committee by a witness, any materials submitted for the printed record, and any written comments in response to a request for written comments must conform to the guidelines listed below. Any submission not in compliance with these guidelines will not be printed, but will be maintained in the Committee files for review and use by the Committee.

All submissions and supplementary materials must be submitted in a single document via email, provided in Word format and must not exceed a total of 10 pages. Witnesses and submitters are advised that the Committee relies on electronic submissions for printing the official hearing record.

All submissions must include a list of all clients, persons and/or organizations on whose behalf the witness appears. The name, company, address, telephone, and fax numbers of each witness must be included in the body of the email. Please exclude any personal identifiable information in the attached submission.

Failure to follow the formatting requirements may result in the exclusion of a submission. All submissions for the record are final.

ACCOMMODATIONS:

The Committee seeks to make its facilities and events accessible to persons with disabilities. If you require accommodations, please call (202) 225-3625 or request via email to WMDem.Submission@mail.house.gov in advance of the event (four business days’ notice is requested). Questions regarding accommodation needs in general (including availability of Committee materials in alternative formats) may be directed to the Committee as noted above.

Note: All Committee advisories and news releases are available at <http://www.waysandmeans.house.gov/>

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THE SOCIAL SECURITY 2100 ACT

Thursday, July 25, 2019

House of Representatives,

Committee on Ways and Means,

Washington, D.C.

The Committee met, pursuant to call, at 10:05 a.m., in Room 1100, Longworth House Office Building, Hon. Richard E. Neal [chairman of the committee] presiding.

Chairman Neal. The committee will come to order.

Good morning and thank you to our witnesses and guests for joining us today at our hearing on Social Security 2100 Act.

Retirement income is often referred to as a three-legged stool: Social Security, employer-sponsored pensions, and personal savings. I am very pleased that the Ways and Means Committee has been hard at work this year to ensure that Americans can retire with security and dignity.

In May, the House passed the SECURE Act, 417 to 3, which helps middle-class families save for retirement and makes it easier for small businesses to offer retirement plans to their workers. I would remind all that that was bipartisan. And just yesterday, the House passed the Butch Lewis Act to address the multiemployer pension crisis facing millions of Americans. That was bipartisan.

Today, we turn to the very foundation of our retirement system, Social Security. For 64 million Americans who receive benefits, Social Security is more than just a check in the mail, it is rock solid security. It allows them to retire with dignity after a lifetime of hard work. Americans know they have contributed throughout their working years and can count on the benefits they have earned.

People often think of Social Security as retirement, but it is much more than that. It provides essential disability and life insurance to young Americans, and it insures both workers and their families. Almost 3 million children are receiving benefits because their parent has died or become severely disabled or retired. And let me tell you from my own personal experience, I know what kinds of unforeseen challenges Social Security was designed to help.

Social Security benefits are modest, averaging under \$17,000 a year for retirees,

meaning half the Social Security benefits in America live on less than a \$17,000 derived/earned benefit. They are the primary source of dollars for many, if not most, beneficiaries.

For 6 out of every 10 seniors, Social Security provides, again, the majority of their income. And for almost one in three seniors, Social Security provides all or nearly all of their income. Social Security is likely to be even more important for the retirement of millennials and future generations who are increasingly squeezed by stagnating wages, disappearing pensions, and so many other financial pressures. And few of today's workers have savings to survive on if they experience a life-changing disability.

It is fitting to note that tomorrow is the 29th anniversary of the Americans with Disability Act. I was an original cosponsor of that legislation and enthusiastically voted for it. It is important to recognize Social Security's role in supporting economic security in communities for living with people who are helping out with their disabilities.

For all its strengths, Social Security also faces some challenges. It is fully funded for the near term, but faces a modest shortfall over the long term. Congress must act before 2035 to prevent benefit cuts and ensure that all workers get the full benefits they are counting on. Congress has never allowed these kinds of cuts to occur, and it certainly is not going to happen on my watch.

In addition, many seniors struggle to make ends meet even with Social Security, and millions of today's hardworking families face a very uncertain retirement. We need to think about enhancing benefits to make them more adequate.

The bill we are discussing today, Social Security 2100 Act, takes on these challenges and more and meets them. I want to commend my colleague John Larson and the Social Security Subcommittee for the particular skill that they have shown, at least in putting out a conversation piece about the future of Social Security and the need

to consider its expansion.

People who have worked very hard and contributed all of their lives should retire to a strong Social Security system that pays them reliable and adequate benefits. We stand with the American public. They are very clear. Americans do not want cuts to Social Security. Social Security works, and the American family knows it.

I often hear from constituents who wonder if Social Security will be there for them when they need it. I am sure my colleagues on both sides of the aisle hear this question as well. And our constituents want to see it strengthened, not cut, and that is what Social Security 2100 does. It is fully paid for. It asks the most fortunate among us to pay for their fair share, and it asks everyone to pay slightly higher premiums so that Social Security can remain strong.

Now, you may hear some on the other side of the aisle talk about the premium increase or asking the most well-off to pay more of their fair share. They may say that that is a better argument for reforming Social Security. But when Republicans say they want to reform Social Security, we want to make sure that it is not a proposal to cut Social Security, and oftentimes, raising the retirement age and offering benefit cuts can do that.

Remember, the last time that a serious effort was made to reform Social Security, the proposal was to privatize it. Some of us on this committee vigorously protested that argument, and President Bush, Jr., at that time backed off. Their plan would have cut Social Security's guaranteed benefits to substantially pay for private accounts.

The bill before us today does not cut benefits. I repeat, it ensures everyone receives their full benefit without cuts.

Before I turn to our ranking member for his opening statement, I want to comment on a related topic. In my State and a number of others, we have a longstanding problem for police officers, firefighters, teachers, and other public servants

who have paid into Social Security for part of their careers and into a separate State and local government pension plan for part of their careers. I am working on legislation with Mr. Brady, called the Windfall Elimination Provision, or W-E-P, the WEP, and we are trying very hard to sort this issue diligently. Action on the WEP is long overdue, and I look forward to introducing our bill soon and making further progress this fall. So I want to thank John Larson again for his leadership on the Social Security 2100 Act.

And, with that, let me recognize Mr. Brady, the ranking member, for his opening statement.

[\[The statement of Chairman Neal follows:\]](#)

Mr. Brady. Thank you, Chairman.

Social Security is the most successful antipoverty program in our country's history. That is a fact. For our seniors who have worked hard their entire lives, our neighbors with disabilities, and for so many families, Social Security is a lifeline. But it is struggling financially and can't survive in the long haul without thoughtful bipartisan change.

I commend Congressman Larson on advancing the discussion. Republicans on this Committee are eager to work with Democrats to save Social Security once and for all for every generation. But this has to be done without forcing young people, America's future, to struggle with smaller paychecks their entire working lives. This will only hurt those who we are trying to help the most.

The bill being debated today, the Social Security 2100 Act, harms young workers. It hurts small businesses and slows our American economy. Regrettably, this is not a Social Security reform bill; it is just Washington pinching more of your paycheck, seizing more of what you earn. To be clear, this is a \$19 trillion tax increase on workers and small businesses.

According to the nonpartisan Joint Committee on Taxation, this outrageous paycheck grab would be a nearly 1,000 percent increase in payroll taxes for low-income families. Think about that. You are a 23-year-old who just graduated from college with \$50,000 in staggering college debt. It will take you two decades to pay off to the government, which means delaying purchasing that car you need, the home you hope to own, and starting the family you dream of.

Instead of helping you, this bill forces you to cough up another \$50,000 in payroll taxes to bankroll benefits for seniors and the wealthy, cutting your lifetime income by more than 2 percent over your career. That is because you may not get as much back as

you put in, leaving our younger generation worse off.

Millennials get ripped off in this bill, and they are not the only ones. Working families with both working spouses will face a yearly tax increase of \$2,100 every year. And a single mom with two kids, who today, under our new Tax Code doesn't pay a penny in Federal income taxes on the first \$53,000 on her income, she will see her paycheck cut by \$1,344 each and every year. Your grandkids get mugged. To give your grandma a mere \$32 more a month in her Social Security, a low-earning grandchild will pay over \$53,000 in higher payroll taxes. Middle class young people will pay even more.

Main Street small businesses get hammered too. Women- and minority-owned businesses, first-generation entrepreneurs, young business startups, their taxes also go up, meaning they have less money to hire workers, raise wages, grow their business, or contribute to the local economy.

Worse, both millennials and small businesses will struggle to save more for their own retirement. They will contribute less to their IRAs and 401(k)'s, because they are giving more to Washington, D.C.

Seniors deserve better. Workers deserve better. Our children and grandchildren deserve better. If we were truly interested in strengthening Social Security, we would be doing this on a bipartisan basis. Not once in the program's nearly century-long history have reforms to the program been made without Republicans and Democrats working together. There are ways to reform this program without devastating tax hikes on millennials, on working families, and local businesses.

Republicans want to secure benefits for current and future generations without taking away workers' hard-earned money. We have to do so through long-term economic growth. The best way to achieve that growth is through promoting work, not penalizing it. Social Security already discourages work, particularly among women and

seniors. Let's reform the program so that the best safety net available, a good-paying job, is part of the equation.

Democrats, my friends often cry, you don't have a plan. We do. We start Social Security reform by making sure our teachers, firefighters, and police receive the Social Security they have earned, just like every other American worker. This is, as the Chairman said, a bipartisan issue. Let's start there in a way that doesn't hurt Social Security or raise payroll taxes. And while reforming the program, we have to put our most vulnerable neighbors first. That means focused reforms that help make sure Social Security is meaningful for long-career, low-wage workers, and others who rely on the program.

And finally, if there is one key point we all agree on, it is this: We have to act now. We can't punt reforms down the road. While Social Security solvency has improved in today's economy following our new Tax Code, congressional action today will require reforms nearly twice as substantial as those enacted in 1983 in a bipartisan way. The time is now to reform and save this program for all generations. Republicans are hopeful we can do so together without massive tax hikes that are bad for young people, bad for small business, and bad for the economy.

Thank you, Chairman.

[\[The statement of Mr. Brady follows:\]](#)

Chairman Neal. I thank the gentleman.

So let me thank our distinguished witnesses for taking time to appear before us today to discuss this very important issue. Let me first welcome Stephen Goss, who is the chief actuary of the Social Security Administration. Nancy J. Altman is the president of Social Security Works. Then we have Kelly Brozyna, a member of the Job Creators Network, the National Women's Coalition. Next, we have Abigail Zapote, the executive director of Latinos for a Secure Retirement. And finally, we have Shaun Castle, the deputy executive director of Paralyzed Veterans of America.

Each of your statements will be made part of the record in its entirety. I would ask you to summarize your testimony in 5 minutes or less. And to help you with that time, there is a timing light on your table. When you have 1 minute left, the light will switch from green to yellow and then finally to red when 5 minutes are up.

Mr. Goss, would you please begin.

STATEMENT OF STEPHEN C. GOSS, CHIEF ACTUARY, SOCIAL SECURITY ADMINISTRATION

Mr. Goss. Chairman Neal, Ranking Member Brady, and members of the committee, thank you very much for the opportunity to speak to you today about the provisions of Social Security 2100 Act and the implications of enacting this bill. I appreciate this opportunity to expand upon the testimony and discussion with the Subcommittee on Social Security on this topic back on April 10 of this year.

Under the intermediate assumptions of the 2019 trustees report, which came out in April, we project the annual cost of the OASDI Social Security program will begin to rise above the annual income starting in 2020, due to the aging of our population. And the combined OASI and DI trust fund reserves will thereafter become depleted in 2035. If that were allowed to happen, continued revenue would be sufficient to pay only 80 percent of benefits currently scheduled in law in 2035, declining to 75 percent by 2093.

Enacting adjustments to scheduled revenue and/or benefits soon will allow more options, more gradual implementation, and more advance notice to those who will be affected. The shortfall of revenue over the next 75 years as a whole is 2.78 percent of the current law taxable payroll, or about 1 percent of GDP, probably the easiest way to think about it.

The Social Security Act would eliminate the 75-year shortfall and achieve what we refer to as sustainable solvency, meaning that the Social Security program would be projected to be fully solvent for the foreseeable future, 75 years and even beyond.

The bill would generate additional tax revenue equivalent to about 1.4 percent of gross domestic product over the next 75 years. One percent of that would allow for full payment of benefits scheduled under current law. Another 0.3 percent would allow for

increases in scheduled benefits included in the bill, and the increases would be about 4.6 percent over scheduled benefit levels over the period as a whole; and an additional 0.1 percent of GDP, allowing an extra margin of solvency over the period, which is probably useful, given the uncertainties of the future.

Let me briefly describe the provisions of the bill. Section 101 would increase the first benefit formula factor from 90 to 93 percent. This would be about a 3 percent increase in benefits for our lowest paid beneficiaries, our 10 percent lowest paid, and about a \$30 a month increase for the top 90 percent of our beneficiaries.

Section 102 would change the annual Social Security cost-of-living adjustment by using the CPI-E for elderly as opposed to the CPI-W for all urban wage earners. Retirees at age 72, 10 years after they start becoming eligible, would be receiving benefits about 2 percent higher as a result of this; and for those who are at age 82, they would be receiving benefits about 4 years higher at 20 years after they start becoming eligible.

Section 103 would update the special minimum benefit provision, which is in current law but has become not of any use because of the way that it has been indexed over time. And the updated special minimum would assure a PIA of at least 125 percent of the poverty level for long-career workers with significant earnings over at least 30 years. This minimum would be increased after 2020, not at the way the poverty level is normally increased by CPI, but it would actually increase by the average wage, so it would not go the way the current special minimum has.

Section 104 would increase thresholds at the Social Security benefits, subject to Federal income tax, from \$25,000 to \$50,000 for single filers and \$32,000 to more than triple that, \$100,000 for joint filers.

Section 201 and 202 would apply the full payroll tax rate for years in the future, 2020 and later, to earnings in excess of \$400,000. In 2020, that would affect only the

top 0.5 half of 1 percent of workers, but over time, by 2048, all earnings would be subject to the full payroll tax. Additional taxes paid as a result of this provision would result in additional benefits being paid to those individuals.

Finally, section 203 would increase the combined Social Security payroll tax rate by 0.1 percentage point per year starting in 2020 until we get to a 2.4 percent increase in 2043. So that would be a gradual increase starting in 2020.

All of us in the Office of the Chief Actuary look forward to continuing to work with the members of this committee and other Members of the House and Senate in developing comprehensive legislation to maintain Social Security solvency for the foreseeable future.

Thank you again for the opportunity to talk to you today. I very much look forward to trying to answer any questions that you may have. Thank you.

[\[The statement of Mr. Goss follows:\]](#)

Chairman Neal. Thank you, Mr. Goss.

Ms. Altman, would you please begin.

STATEMENT OF NANCY J. ALTMAN, PRESIDENT, SOCIAL SECURITY WORKS

Ms. Altman. Chairman Neal, Ranking Member Brady, and members of the committee, Social Security is intended to provide, as its name suggests, a sense of security, peace of mind, but that invaluable benefit has been lost because too many Americans have been convinced that Social Security won't be there for them. Passage of the Social Security 2100 Act is an important step to restoring that peace of mind.

As important as it is, though, to balance income and outgo, it is imperative to remember that that is merely a means to an end. The end, the goal, is to provide America's working families with economic security. Importantly, the 2100 Act restores Social Security to balance without cutting benefits and, as important, expanding them.

Social Security's benefits are modest but vitally important to nearly all of its 63 million beneficiaries. As the chairman said, those benefits will be even more important in the future, because the Nation is facing a retirement income crisis. Given that Social Security is more universal, efficient, secure, and fair than its private sector counterparts, and that it can be expanded immediately with no startup cost, increasing its benefits across the board, as the 2100 Act does, is the best solution to that crisis. It also is a solution to the squeeze on working families and income and wealth inequality.

Now, some argue that if benefits are increased, they should only go to those at or near poverty. But this focus on need reveals a fundamental misunderstanding of what Social Security is. Social Security is part of workers' compensation. The Nation already

has a needs-based program for seniors and people with disabilities, the Supplemental Security Income program. In addition to passing the 2100 Act, I urge you to expand SSI to assist the poorest among us.

Expanding Social Security will strengthen the economy, particularly in rural communities. On the last page of my written statement is a chart showing Social Security's importance to each of your congressional districts.

The 2100 Act is not only wise policy, it is also what the American people want. As polarized as this Nation is, we are not polarized about Social Security. Support for the provisions of the 2100 Act is overwhelming, according to numerous polls. Large majorities of Republicans, Independents, Democrats, Tea Partyers, union members, all ages, genders, income levels, races, ethnicities support expansion and oppose cuts. They support requiring the top earners to pay more and also are willing to pay more themselves.

It is noteworthy that the rate increase in the Social Security 2100 Act is substantially more modest than every single past annual increase in the history of the program, just five-hundredths of a percent or 50 cents a week for a worker earning \$50,000. The overall increase, phased in over almost a quarter of a century, 24 years, is smaller than every other 24-year increase up until 1990, the last time the rate was increased.

The Social Security 2100 Act includes provisions that should be attractive to conservatives, including a tax cut. Some seem to believe, though, that to be a consensus package there have to be benefit cuts, as there were in 1983. The late Robert M. Ball, who represented Speaker O'Neill in his negotiation with President Reagan, was concerned that policymakers would take that wrong lesson from the 1983 experience. Just months before his death in 2008, he wrote: What was right in 1983,

a balanced package of benefit cuts and tax increases, would be wrong today. He said, it is the essence of responsibility, in my view, to insist on no benefit cuts.

I am confident that if Bob Ball were alive today, he would urge passage of the Social Security 2100 Act.

Thank you.

[\[The statement of Ms. Altman follows:\]](#)

Chairman Neal. I thank the gentlelady.

With that, let me recognize Ms. Brozyna. Please begin.

**STATEMENT OF KELLY BROZYNA, MEMBER, JOB CREATORS NETWORK'S NATIONAL
WOMEN'S COALITION**

Ms. Brozyna. Thank you.

Chairman Neal, Ranking Member Brady, and members of the committee, my name is Kelly Brozyna, and I am the founder and president of the Colorado Business Development Foundation, which is a 501(c)(3) nonprofit that provides entrepreneurial resources in Colorado.

Through my experience in working with small businesses in this position, plus 24 years' experience with the SBDC Network and membership in the Job Creators Network -- which, by the way, their dream of business ownership experience is freedom, flexibility, and financial success, who I am representing today -- I am also here representing the 90 million Americans who work and own small businesses. Thank you for inviting me to discuss how this Social Security 2100 Act would impact small businesses and their employees, and I am here today to help bring the human factor of what this bill will mean to small business and individuals.

To recap, the proposal would raise the payroll tax for several years by 2.4 percent to a total of 14.8 percent earned income. On the surface, that seems like a small tax increase, but it would take a painful bite out of the incomes of entrepreneurs, workers, and small business owners. The tax increase is split between employees and employers, meaning they would both see their taxes increase by 1.2 percent points.

Consider first how this would affect workers like my daughter, Katherine, who lives in Boston. She recently graduated from Montana State University and landed her dream job in Boston working for a travel company. She earns about \$45,000 a year, and lives outside of the city limits to afford living and afford housing. When I spoke to her about how this tax increase would affect her personally, her taxes would go from \$540 a year to \$3,330 a year. And this tax hike could potentially mean that she might not be able to afford to live where she is at and live and work at her dream job in the future.

What the committee must understand is that the tens of millions of Americans like my daughter live on a fixed income and can't afford a new tax expense. Even if it is only a few hundred dollars a year phased in slowly, it still is effective. Remember that the payroll tax is the biggest tax for most American employees. Katherine makes enough money today to afford to cover all of her expenses and live and work in Boston, but this may mean she would have to give up that dream in the future.

Then there is the cost to the small business owners. I have a good friend who is an African American, veteran-owned business. He retired after 20 years of serving the Army and serving our country and moved to Colorado for the quality of life. His biggest fear was to work a 5-day-a-week job 8 hours a day in an office. So he started his own business, and he is a home inspector offering radon testing and water line inspections. Presently, he is going back to school, using his GI benefits, to get his HVAC degree to grow his company and add additional services. He has one employee, but his growth is there, and he is planning on trying to hire more people in the future.

When I spoke to him about this tax increase, he was really upset. He said it would increase his taxes by thousands of dollars. And what does this mean to him? This means that he would end up eliminating his entire marketing budget. And when you are in a business that is very social like that, you need that marketing to bring on new

business. He would hold off buying new equipment, such as advanced testing kits and cameras, to grow his business as well. And, of course, the typical thing, he would end up having to pass on those expenses to the customers. He also said that he may even cut down on the amount of work that he does because the tax increase wouldn't make sense for him to continue doing on his path presently.

The tax increase is particularly hard on sole proprietors who pay both sides of the payroll tax. Almost 15 percent they are going to be paying in the future. My good friend Susan, who is an LLC, does personal concierge service and relocation service for the aging community, and this proposed tax increase means that she would have to quit her job, quit the company, and go back to corporate America.

My 24-year plus experience working with entrepreneurs both in Texas and in Colorado, I found that it takes about 3 to 5 years for small businesses just to break even. The vast majority of the Nation's small businesses are solo entrepreneurs, meaning that they don't have employees, which also means that they would be paying the full 14.8 percent themselves.

In many cases, these entrepreneurs bootstrap their business and barely have 3 months' reserves to stay in business. We typically recommend 6 months to a year, but the reality is it is about 3 months that they have. This hike, this tax increase would actually prohibit them from even keeping 3 months' worth of reserves.

Raising taxes on risk-taking entrepreneurs is another significant hurdle that could prohibit them from ever making their dream come true. Established businesses, in my experience -- and I have seen it personally -- respond how they always do: They'll hold off on hiring, they'll reduce hours for their employees, they'll hire contractors instead of employees, and they'll increase their prices and pass them on to the consumer, or maybe some combination of all of these. Some businesses who have an extremely low profit

margin will even have to cut staff or close altogether.

Small businesses are the backbone of our economy. We all know that. We need to support creative entrepreneurs and help them make their dreams come true, not burden them with tax increases that will only stunt entrepreneurial growth and creativity and reduce the living standards. We want to help small businesses to be successful. They have enough hurdles presently as it is, and it is very expensive for people to start their own business.

[\[The statement of Ms. Brozyna follows:\]](#)

Chairman Neal. I thank the gentlelady. Her time is up. Thank you very much. With that, let me recognize Ms. Zapote. Would you please begin.

STATEMENT OF ABIGAIL ZAPOTE, EXECUTIVE DIRECTOR, LATINOS FOR A SECURE RETIREMENT

Ms. Zapote. Thank you, Chairman Neal, Ranking Member Brady, and the rest of the committee members, for inviting me to speak today. My name is Abigail Zapote, and I am the executive director of Latinos for a Secure Retirement.

Our organizations represent the more than 60 million Latinos in the United States. Collectively, we are one out of every five Americans and the fastest growing and youngest ethnic group in the United States, with a median age of 28, making it imperative to continue to have a strong and robust Social Security insurance program for future generations.

I sit before you today, not just on behalf of the Latinx community, but with a tremendous responsibility to millions of Americans who could not be here today to take a stand in expanding Social Security and urge to solve the looming solvency crisis.

I would like to speak to the importance of the Social Security 2100 Act today. This legislation will not only improve Social Security and exponentially increase quality of life for beneficiaries; it will also reduce elder poverty rates nationwide and ensure Social Security benefits for the next 75 years.

To put in perspective, I would like to offer a testimonial on the intergenerational pact that our families share because of the lack of retirement security in our community.

Over the course of two decades, 53-year-old Guillermo Argueta's diabetes

developed into cataracts and later resulted in kidney failure. That is when his sister realized that his care was more than she could take on, as she herself had two children and a family of her own. So Guillermo's daughter Lorena stepped up. At just 26 years old, she became her father's primary caregiver. So every day, Lorena, with help from her 25-year-old brother, helps her blind father use the bathroom and get dressed. She cooks his meals and administers his insulin and medication three times a day.

Today, with us in this chamber, we also have a family just like Lorena's. At just 15 years old, Vivian shared the responsibility of taking care of her grandmother, using her school lunch break and time that other students dedicated to work, friends, and extracurricular activities to return home to take care of her abuelita until her final days.

Lorena and Vivian are just part of the growing number of Hispanic millennial caretakers. According to a 2018 report from AARP, 38 percent of Hispanic family caregivers are between the ages of 18 and 34, making us the youngest ethnic group providing care.

So not only are we translators, legal aid for our families in this tumultuous time, breadwinners, but also caretakers. We cannot wait until 2035 to fix the solvency crisis. By then, I will be 45 years old, paying into a system that would only give me 75 percent of my Social Security retirement benefits. As a millennial, I am willing to pay the additional tax to ensure that my generation and future generations also have the same, or dare I say better, benefits and equity than generations do today.

This is just one of the many reasons that the Social Security 2100 Act is so pivotal in our community.

Additionally, using Consumer Price Index for elderly to calculate the cost-of-living adjustment will ensure that benefits are expanded and our families are maintaining their quality of life, not having to make tough decisions like rationing medicine or missing a

utility payment. In 2018, the average benefit for seniors was \$16,956. These benefits are far from generous, but for Latinos, these benefits compromise at least half of Latino elderly households and 74 percent of total income of Latino elderly households receiving benefits.

Unfortunately, the struggle against racial inequity follows many Black and Latino Americans into retirement. I will share brief statistics to explain the grave outlook of our communities' retirement security.

In 2016, Latinos had a median wealth of \$6,400, compared to the White median wealth of \$140,500; a wealth disparity that was increased during the housing market crash in 2008, where Latinos not only lost their homes but their retirement wealth as well. In 2017, nearly one out of five Latino workers were paid poverty wages, leaving them below the Federal poverty line even when they worked full time year round. Currently, only 38 percent of Latino U.S. workforce had access to employer-sponsored retirement plans, leading to a lack of retirement accounts for 69 percent of Latino working age households.

For Latinas, the wage gap and retirement security is even worse. On average, Latinas in the U.S. are paid 47 percent lower than White men. That is 53 cents to the dollar. Lower earnings for Latinas means less money for their families.

Our congressional leaders need to address this alarming civil rights issue as healthcare, housing, and living expenses for seniors continue to rise at alarming rates. Not only do we need to ensure that seniors maintain this lifeline during retirement, but that future generations can access full benefits at the end of their lifetimes. Our communities deserve policies that provide all Americans benefit equity as they enjoy their golden years.

Thank you.

[The statement of Ms. Zapote follows:]

Chairman Neal. I thank the gentlelady.

Let me recognize Mr. Castle.

STATEMENT OF SHAUN CASTLE, DEPUTY EXECUTIVE DIRECTOR, PARALYZED VETERANS OF AMERICA

Mr. Castle. Chairman Neal, Ranking Member Brady, members of the committee, I am Shaun Castle, deputy executive director for the Paralyzed Veterans of America, and I want to thank you for giving me this opportunity once again to testify about the importance of Social Security to the millions of veterans and members of the millennial generation like me.

Many of you heard my reflections earlier this year about this vital social insurance program that has covered millions of military service members since 1957. As you know, veterans and their families comprise 35 percent of the Social Security recipient population.

My own Social Security story began in November 2003, when I was 22 years old. I planned to make my military service my career, when a training accident damaged my spine and ultimately forced my military medical retirement in 2004. I was granted an initial \$700 a month in VA compensation. A subsequent surgery in 2008 resulted in irreparable damage to my spinal cord. And in January 2009, when I was 27 years old, I was granted Social Security disability insurance. I was not working because of my injuries and had run through my sick leave.

When I was determined eligible for SSDI, I was on the verge of being homeless, running out of food, and dealing with the ramifications from a second failed surgery that

had put me in a wheelchair permanently. Being granted SSDI gave me some breathing room. I was finally able to get into an accessible home and to start my life back again. Had I not received SSDI when I did, I do not honestly know where I would be today and what I would have done.

Having Social Security and the Medicare coverage that came with it gave me the financial and healthcare security to recover from losing my career twice in a 2-year span. And Social Security's work incentives supplied the assurance for me to pursue a new life and new opportunities.

I returned to school in 2014. In 2017, I accepted this position with PVA. I really have SSDI to thank for being there when I needed it the most, and it played a role in helping me to get where I am now.

My entire life I have heard the same narrative over and over, that Social Security is in dire trouble and cannot be sustained without drastic reductions in benefits. This is not borne out by the facts.

Social Security is self-financed through the contributions of workers and employees and will be able to pay full benefits until 2035. True, 2035 is not that far away. But PVA believes that the system's modest funding shortfall can and must be closed without cutting benefits for current or future generations.

PVA views Social Security as a vital public insurance, particularly because all of our members benefit in some way from this program, whether it is the benefits that afford them a secure retirement, protect their survivors and dependents, or enable them to manage living with a disability with dignity.

When I was first injured, I sought out life insurance to ensure that my wife would be protected in the event that my spinal cord injury cut my life short. I do not recall how many insurance companies I applied to for a policy, but every single time I was

denied because of my disability.

Social Security is the only guaranteed source of retirement, life, and disability insurance available to the general public that cannot be withheld because of a health condition, terminated by an employer, or won't disappear because a company's pension fund goes bankrupt. That is why PVA strongly supports the Social Security 2100 Act.

In particular, we applaud the provision that would establish a more realistic cost-of-living adjustment for beneficiaries, strengthen protection for low-income workers and for all beneficiaries, cut taxes on benefits for nearly 12 million beneficiaries, and make long overdue adjustments in the financing mechanism for the system.

We also appreciate its recognition that Social Security's disability, retirement, and survivor protections are all part of one unified system, and the fact that Social Security actuaries have determined that this bill will ensure the long-term solvency of the trust funds, making sure it remains strong for future generations. This legislation demonstrates that preserving and strengthening Social Security can be done without causing harm to beneficiaries, many of whom rely heavily on its programs for economic security.

At the April subcommittee hearing, some decried the adverse impact that this bill would have on the average young worker, who would eventually pay an additional \$600 on earnings of \$50,000 a year. Overlooked was the increase in subsequent Social Security benefits that would occur to those millennials in their retirement under the Social Security 2100 Act. For the average worker, this means paying an additional 50 cents per week through 2043, to keep the system solvent. As a millennial, I am willing to pay the additional 50 cents per week to preserve the system.

Thank you, Mr. Chairman, Ranking Member Brady, and the members of the committee, for your attention this morning. PVA stands ready to work with you and

your colleagues in advancing this legislation to extend and enhance Social Security, this vital social insurance program.

[\[The statement of Mr. Castle follows:\]](#)

Chairman Neal. Thank you, Mr. Castle.

We will now proceed to questioning under the 5-minute rule. Consistent with committee practice, I will first recognize those members present at the time of the gavel, coming down in order of seniority. Let me begin by recognizing myself.

Ms. Altman, thank you for your testimony, and as you mentioned, Social Security is the foundation of economic security for millions upon millions of Americans. Is there bipartisan support among the public for expanding Social Security, and what do your surveys tell us?

Ms. Altman. There is overwhelming bipartisan support. Social Security is an area that has been very heavily polled from the beginning. The Social Security Administration does polling. I am sure every candidate who runs for office does polling. AARP does polling. The Heritage Foundation does polling. And what is amazing is how consistent all the polling is. The American people are quite united.

Just this March, the Pew Research Center had a poll that showed that -- let me get my numbers here -- 74 percent, including 68 percent of Republicans, opposed all benefit cuts, and 18- to 29-year-olds oppose them as well by 65 percent. I think one of the most interesting polls was one that was done also by Pew in the lead-up to the 2016 election, where people were asked who they supported of the remaining candidates and their views on a slew of issues. And all of them, Kasich supporters, Cruz supporters, Clinton supporters, Sanders supporters, and Trump supporters -- they all came out the same way. They absolutely wanted no cuts.

Polling was done in the lead-up to the 2018 election. Would you be more likely or less likely to vote for a candidate who supported expanding benefits? And there again, it was two out of three, including Republicans, -- they were asked did you support

Donald Trump, are you a registered Republican? And the numbers all come out the same. It is not just a small majority; it is a substantial majority of all those categories.

Chairman Neal. Thank you.

Ms. Zapote and Mr. Castle, I want to thank you for being here and telling us your stories. What does it mean to you personally as millennials to know that you are protected by Social Security?

Ms. Zapote. Social Security is definitely a lifeline that I know I can't wait to be able to take a part of once I am, you know, in my senior years. But not only that, if there were anything to happen to me or my family in that sense.

Did you want to say anything?

Chairman Neal. Well, some of us are not that enthusiastic.

Ms. Zapote. Fair enough. And I think that, you know, it really is that lifeline for a lot of people that we definitely need at the end of our lifetimes. For me, as a millennial, to see that by 2035 there is already going to be a 20 percent cut or 24 percent cut, it is really disheartening. And that is why we are here today to ensure that we convince everybody in this room to keep the legislation moving forward, because we need that solution now.

Chairman Neal. Mr. Castle.

Mr. Castle. So I would like to address this question as a millennial with a disability. This is something that is imperative for people. Most people don't think that this can happen to them, that they won't end up with a disability. They think "I won't end up in need of this. I won't end up in a position where, you know, I fall below the poverty line and I need help from Social Security in different areas." This is something that is drastically needed for all generations, but especially the millennial generation, as cost of living gets higher, as cost of health insurance gets higher, as cost of

disability benefits, as cost of life insurance benefits gets higher.

As I pointed out in my testimony, you can't buy life insurance, you can't buy long-term disability insurance, you can't buy retirement accounts for the price that you can pay for this benefit. It is just not available.

So, as a millennial, Social Security is something that needs to be there for me, that I, God willing, live to the age of 67 and don't need to go back on Social Security disability benefits because of my injuries before then, but it is something that has to be secured for the long term. It is something that must be there.

Chairman Neal. Thank you, Mr. Castle.

Let me recognize Mr. Brady for 5 minutes.

Mr. Brady. Thank you, Mr. Chairman.

The Joint Committee on Taxation analysis is clear. The Democrats' bill has a devastating impact on workers, on small businesses, and the economy. By the end of this decade, poverty level earners will face a \$1,000 tax increase, while millionaires will face a tax increase of a mere 9 percent. Think about that. One thousand percent tax increase on poverty earning workers, many of them Latinos and African Americans, individuals with disabilities, and those without high school degrees. Millionaires, a mere 9 percent. Maybe we could poll that and see how that is felt by the American people.

But even that doesn't tell the whole story. That is why today I am sending a letter, along with Tom Reed, the Ranking Member on the Social Security Subcommittee, to the Congressional Budget Office, requesting they complete a full analysis of the bill.

Social Security is just too important to our seniors, to those with disabilities, to all workers, for the Committee to move forward without CBO's analysis. And while we have a Social Security actuary's analysis and he is here with us today -- thank you, Mr. Goss -- Congress relies on CBO as our official scorekeeper. It is essential that we have

both analyses.

Ms. Brozyna, thanks for highlighting the real life impact this bill will have on small businesses across the country. This is a massive payroll tax increase on everyone, especially low-income workers. And even though, thanks to tax reform and balanced regulation, unemployment rate for Latinos is at a record low. The Disability Insurance Trust Fund in Social Security has gotten better by almost two decades just in the last year, because more of those with disability are going back to work. That is good news.

But the question for you is, as a small business who hires workers, many of them first-time workers. So, if your workers have smaller paychecks because of this bill and you have smaller paychecks because of this bill, how do you save for retirement yourself? And what does this do for your ability to hire more young people and workers? Can you talk to us about that?

Ms. Brozyna. Thank you for the opportunity. I would be happy to. Experiencing firsthand how small businesses do their hiring and their thought process, as I mentioned in my opening speech, existing established companies will actually literally not hire any more people. They will actually cut their wages or they will hire contractors. So that is one aspect of it.

As a low-income employee or earning a lower wage as an employee, what they will end up doing is they will not be able to afford any extras in their life. They won't be able to travel. They won't be able to visit family for holidays. I mean, they won't even be thinking about saving for retirement. They are thinking about paying the bills today. And as hiring millennials that are coming in there, they are thinking about today. They are thinking about how they are going to meet their bills. They are going to think about, you know, can I have gas money to get back and forth to work? Can I pay for that Metro pass? You know, so it affects them.

Mr. Brady. Millennials coming out of college just loaded with student debt, how do smaller paychecks help them pay that back?

Ms. Brozyna. Well, it doesn't. I mean, a lot of times they can go off of their income to pay back their student debt, but I have friends that are paying off, for 20-plus years, still paying off their student loan debt. And we are talking it is devastating to their family.

Mr. Brady. How about working families? So under this bill, you know, both spouses work, which is common these days to make ends meet. So that working family will see a tax increase of \$2,100 a year after this is fully phased in. How do they save for retirement when their paychecks are \$2,000 less each year?

Ms. Brozyna. They take on a second and a third job in many cases. I can't tell you how many of my friends, especially in the minority community, that they are now Lyft drivers or Uber drivers to try to make ends meet. They are trying to afford to give their kids a good education and pay a little extra for tutoring. And so they end up taking a second and a third job just to cover those. If we add this added tax burden on them, I am not sure what will happen. Their kids that are in middle school and high school will suffer from their education level.

Mr. Brady. Can I ask you this, because this is so revealing: For small businesses, do you think most small businesses along Main Street know there is a \$19 trillion tax hike of payroll taxes headed their direction?

Ms. Brozyna. No.

Mr. Brady. Do you think they know that?

Ms. Brozyna. No. And as a matter of fact, when I was inquiring to get some examples for today's hearing, they were shocked. They couldn't believe it. And I am getting amazing feedback from everybody, both on social media and personally, of how

this will be devastating to them and they might have to stop doing what they are doing.

Mr. Brady. Thank you, Ms. Brozyna.

Chairman Neal. Let me recognize the gentleman from Georgia, Mr. Lewis, to inquire.

Mr. Lewis. Mr. Chairman, thank you for holding today's hearing. I would also like to thank my colleague Congressman John Larson for his tireless work and leadership on this issue.

Social Security is a sacred premise to the American people, and it is a pact that we must not break. For more than 60 million Americans, this program rescued them from poverty. In my district, more than 100,000 people rely on these benefits, more than 100,000 in the congressional district that I represent in Georgia.

Ms. Altman, I have a simple question. People usually think of Social Security as an issue for seniors, as an issue for the elderly. May you address how Social Security affects different generations, especially young people, American youth?

Ms. Altman. Although most people don't realize it, Social Security is the Nation's largest children's program. About 8 percent of America's children are either receiving benefits directly because a parent has died or become disabled or are living in a family where the main source of support is Social Security. Social Security is the most important source of support in families where grandparents are taking care of their grandchildren.

And as Shaun and Abby have said in their testimony, although people think of it as an old person's program, all of us, as we cross the street when a hurtling truck is going by are five steps away from needing Social Security's disability insurance. It is protecting millennials today. It has the disability insurance and life insurance if, God forbid, something happened to them.

Mr. Lewis. I want to thank each one of you for being here, for your testimony.

Mr. Chairman, I yield back.

Chairman Neal. Thank you.

Let me recognize the gentleman from Florida, Mr. Buchanan, to inquire.

Mr. Buchanan. Thank you, Mr. Chairman, for an incredibly important hearing.

In my area, I am in Sarasota, Florida, that region. So protecting Social Security, the programs are critically important to the people I represent and, obviously, to me. 220,000 beneficiaries that have access to this program.

I do a lot of townhalls, telephone townhalls, the live townhall; I have done 80 of them. And you hear the passion of a lot of people in terms of a third of them, I guess, that get to 65 have little or nothing but their Social Security. You hear different numbers. Another third have something, but not enough. And then another third are maybe lucky or have saved up or whatever. They are in a better position and they weather the storm a little bit better. But you see a lot of people getting into their nineties in Florida. That is the new age group. That is something that has got to be looked at, clearly.

But I want to say that, Mr. Larson, my friend, I appreciate his leadership on this. I think working with Mr. Reed on our side, we can get something done. We need to get something done. This is an opportunity, but as the chairman expressed early on, it is a conversation piece, meaning that I think this is a good start. If you look historically, unless we do something together, this isn't going to get done in a serious way or it is going to be an ongoing challenge.

And then the other thing, just look at healthcare over 10 years, the same thing there. So we have got an opportunity to make a difference. I think time is of the essence.

Mr. Goss, let me ask you -- and I want to thank you for your service. As long as I have been on this committee, you have been here, and I know you have been longer than that. But you mentioned I think Social Security now has passed over a trillion dollars we pay out. Is that right, or close to it or is it over a trillion?

Mr. Goss. That is correct. It is a little over a trillion this year.

Mr. Buchanan. And we talk about -- from a bipartisan standpoint, I am sure you have looked at the historical aspect of Social Security. Has there ever been a time in the past, we did address it in the eighties, but maybe before that that we haven't worked together, Democrats and Republicans, to resolve this?

Mr. Goss. I do not believe so.

Mr. Buchanan. And then, as I mentioned, time being of the essence, we always have a tendency here to wait till the last minute. How much time do we have? You mentioned 2035, but the reality of it is the longer we wait, the tougher it is going to be to be able to address this fix, and that is why it is important we deal with it today.

What are your thoughts on the timeframe on this that we need to address the viability of Social Security even though it is down the road 2035? When do we need to address that?

Mr. Goss. It is absolutely imperative that we do make changes within the next 16 years. There would be a great advantage in enacting changes, even if implemented over the next 16 years, enacting them relatively soon. It allows more options. It allows a more gradual phase-in of changes, and more advance notice to individuals who will be affected.

Mr. Buchanan. Thank you.

Ms. Brozyna, let me mention, ask you just quickly, as we look at the increases in taxes that is going to go from 12.4 to 14.8, I realize that is over a period of time, but what

a lot of people don't realize, you say it is 1.2 to -- or 2.4 percent, but right now, they are paying in, collectively, half and half, the employer and the employee. 6.2, it goes to 7.4. So, collectively, they are paying almost 15 percent.

And it is part of the -- as someone mentioned earlier, it is part of the employee's benefit program. And when this gets fully at the number, they would be paying in 7.4, but the employer or the entrepreneur is going to pay in 7.4.

So, again, can you touch a little bit more on the impact for startups, entrepreneurship, and small business?

And I would just say, I chaired our chamber locally, but in the State of Florida, 95 percent of businesses are probably 25 employees or less, and the impact it has on them.

Ms. Brozyna. Happy to. The majority of the businesses that I worked with actually had five or less employees, and a lot of those are family-owned businesses as well. So it sounds great in theory that they split it 50/50, but when you have family members that are working for you, ultimately, they are paying almost 15 percent together on those taxes.

What that means is, as I mentioned before, they are not going to hire. They are going to do contract workers. They are going to cut hours. They are going to do everything around and then pass the price on to the consumer and the customers. So, ultimately, we as constituents and we out there are going to end up paying that extra fee, because small businesses need to make it up someplace and they will pass it on.

Mr. Buchanan. Thank you.

I yield back.

Chairman Neal. I thank the gentleman.

Let me recognize the gentleman from Texas, Mr. Doggett, to inquire.

Mr. Doggett. Thank you, Mr. Chairman.

And thank you for the testimony each of you have provided. Certainly, Social Security is the security of knowing that a lifetime of work results in the dignity of retirement. Today, we focus on the success of Social Security and making the necessary reforms to ensure that it is there, not just for grandparents, but for our grandchildren and our great-grandchildren.

Since President Roosevelt signed it into law, it has dependably provided hope, protection, and security. I doubt that there is a family in this country that doesn't have a family member for whom Social Security has been vital.

The efforts that Mr. Larson has made with this bill are an attempt to respond in a constructive way, in a bipartisan way, to the challenge that the actuary has described this morning. That if we do nothing, there will come a time in the future that we are not able to provide 100 percent of Social Security benefits, and that as early as next year, what is coming into Social Security will be exceeded by what is going out in paying benefits, benefits that are, by the way, pretty modest, where most families would not want to rely exclusively on Social Security, though many families and especially many single women across this country do exactly that.

And so, faced with that kind of situation, you can do one of several things. Mostly, our Republican colleagues, especially after passing a \$2.2 trillion worth of debt in an unwise tax bill, have said, we have no choice but to cut entitlements. They don't say cut Social Security, but Social Security being the largest of those entitlements is exactly what they have in mind.

Another possibility is to come up with some gimmick like letting Wall Street take over Social Security. That is exactly what President George W. Bush once promised as a way of using his political capital to do just that.

And the other possibility is to add some revenue so that when we reach 2030, we

are not forced to cut benefits by 20 percent, but we have the revenue to meet the needs. And you can't raise revenue without having some additional taxes to cover and provide that revenue.

Ms. Altman, isn't the only alternative to providing some additional revenue is to cut benefits?

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[11:05 p.m.]

Ms. Altman. Yes.

Mr. Doggett. And that is what has been advocated in the past, along with the scare tactics of trying to convince millennials that there won't be any Social Security there when they need it so that they will abandon the system. I don't believe there is any free lunch here. We have to provide the revenue to max the benefits that folks need.

I am particularly interested and, Mr. Castle, I was interested in what you had to say, recognizing that this is not just about seniors, but it is OASDI, Old-Age, Survivors, and Disability Insurance. A critical part of this is the disability side. And I have been concerned that as important as Social Security is, and you are a living example of this, it is important that we make improvements and strengthen Social Security. Mr. Larson does this some.

I am concerned about the 5-month delay to receive benefits after you have qualified for disability insurance and even more concerned about the 2-year delay that someone who is found to be disabled has to wait before they qualify for Medicare. I am working on legislation with Senator Casey to eliminate those waiting periods and ensure that individuals with disabilities have access to healthcare when they need it, not on a timeline that is convenient for government.

And I would appreciate your just commenting a bit on the challenges that you faced, that other individuals face, who have a disability or found to be disabled but have to wait to get access to health insurance.

Mr. Castle. Well, thank you for that. That is something that PVA, Paralyzed Veterans of America, absolutely stands behind, is eliminating that waiting period. It is

something that I had to deal with myself, it is something that many people I know, all the people I represent, have had to deal with.

It doesn't make sense that you fight for years to finally be found to qualify for the benefit that you have paid for, and say, yep, you are disabled, you now will receive benefits, financial benefits, and back pay for the time you have waited. But now you have to wait another year, or year and a half in some cases, to get the medical coverage to actually treat the disability that you qualified for the benefit. It doesn't make sense.

It is putting the burden back on people with disability to have to wait a year, year and a half, sometimes longer, up to 2 years sometimes, to receive the medical coverage to treat the disability that they were found to be disabled enough to receive the benefit. It is something that is backwards in the system.

So, Paralyzed Veterans of America absolutely stands behind any legislation that would get rid of that type of barrier, not just for veterans, but all people with disabilities.

Mr. Doggett. Thank you very much.

Thank you, Mr. Chairman.

Mr. Larson. [Presiding] Mr. Smith is recognized.

Mr. Smith of Nebraska. Thank you, Mr. Chairman. Thank you to our witnesses.

Given the importance of Social Security, I strongly feel that we need to have a thoughtful discussion about this very topic, and certainly a thoughtful discussion on various proposals so that we can vet these proposals, and ultimately, hopefully, work together in a bipartisan fashion to ensure the solvency, a long-term solvency of Social Security.

I have concerns about the current proposal being a massive new middle-class tax increase. On several hearings this year, I have used the example of a single mom with two kids earning \$50,000 per year, who has no Federal income tax liability under the Tax

Cuts and Jobs Act. Rather than go back to that very same scenario, I will use a different example.

Since the House passed the bill last year to raise the minimum wage to \$15 per hour, I think we should focus on what this bill would mean to someone currently earning that hourly rate. Under TCJA, a single mom with just one child currently making \$15 per hour and working full time, that is roughly \$30,000 per year, she has no Federal income tax under -- and no Federal income tax liability under the TCJA; none, zero.

However, this legislation would raise the taxes on this single mom by \$720 per year, a 19 percent increase in the payroll tax burden on her. That is \$60 per month, which is currently in this mom's paycheck, we would now be asking her to hand over to the Federal Government. Sixty dollars she wouldn't have to buy food, diapers, put gas in her car, and many other things so that she can make a living.

We are not only concerned about this tax increase on single moms, let me say that Nebraska's Third District is the number one district in agriculture production, with farms and ranches. And while we know that even the employers share payroll taxes, it ultimately comes out of the employees' paycheck. This is particularly noticeable to these farmers and ranchers who operate as sole proprietors and directly pay both halves of their Social Security and the Medicare taxes.

Ms. Altman, I was wondering if any polling has been done in terms of what the general public would have to say about the self-employed small businesses having to pay both sides of the payroll tax. Is that a popular item as well?

Ms. Altman. Well, of course, when it is self-employed, they get a deduction. I don't know that it has ever been quite tested that way, but I think most people do -- I don't know if there is polling on it. The reason Congress has done it that way is that it is equivalent to an employer-employee relationship.

Mr. Smith of Nebraska. Certainly. I think there is some explanation to that, but it is something we need to keep in mind when increases are proposed, that some folks have to pay both sides of that. That is why I think we should be very careful in adding any new benefits as well under the payroll tax. So I hope that, like I said, we can work together on this.

Ms. Brozyna, in your testimony, you discussed the potential impact of the tax increase on your daughter who just graduated from college -- congratulations to her and to you -- and attempting to start her career in Massachusetts. Could you discuss further your daughter's budget currently, what it looks like, and what this tax increase would mean to her?

Ms. Brozyna. Sure. Thank you. And I need to be careful that I don't get in trouble with my daughter on releasing some of this information. But she was really excited about moving back to Boston and being able to get an apartment. What this does to her is -- she is making ends meet. She is doing a great job. She is very happy. She has a nice worklife balance. Raising her tax is going to eliminate that. And she is not going to Starbucks and getting a latte. She packs her lunch every day, she brings it in, she is very efficient with her money as well. This will affect her tremendously.

Forget about even thinking about, in the future, of home ownership; that is not even in there in the future. They are thinking about today. I don't know any millennials, including my daughter, that is thinking about retirement right now. They are thinking about paying their bills, living a quality life. And that doesn't mean gym memberships and things like that; that means buying food, healthy food, which is always an issue as well.

You cut some of these -- there are funds that will come into them -- their healthy lifestyle tends to go out the window, and it is more, how do I afford food as well to put on

the table.

Mr. Smith of Nebraska. Or take, for example, a neighborhood daycare. That daycare provider would have to pay both sides of the her Social Security, correct?

Ms. Brozyna. That is correct.

Mr. Smith of Nebraska. And especially if wages have been mandated as a one size fits all across America, that might have an impact, actually, on the cost of childcare as well. I just might toss that in. But the fact of the matter is, I hope that we can work together to address these very serious issues. Thank you.

I yield back.

Mr. Larson. Thank you.

Mr. Thompson of California.

Mr. Thompson. Thank you, Mr. Chairman. And thank you for your tenacious work on this issue. You have done a marvelous job. I know you have traveled the country talking to constituent groups from every corner of our Nation. I know you have been to my district a couple of times, and I can tell you the response was pretty fabulous. People really liked what this proposal would do. And it became very clear that they want to make sure their Social Security is protected for the next 75 years.

I can't believe some of the concern that we are hearing from my friends on the other side of the aisle about this bill. To discount the fact that Mr. Larson pays for the reforms in his bill after the Republicans charge future generations \$2.5 trillion to pay for a tax cut that benefits the richest Americans and corporations and to express concern for young workers is -- that is faux concern at its best.

And to claim that Main Street small businesses would be, quote/unquote, hammered by the bill ignores the fact that Social Security dollars are in large part spent on Main Streets across our country and in small businesses across our Nation.

In my district alone, we receive \$2.5 billion a year in Social Security checks. And, you know, most of those checks don't go to an offshore account in the Cayman Islands. They are spent every day just to get by and to make ends meet.

So let's be honest today. Social Security is important to small businesses and to those who collect their benefits today and to young Americans who will collect Social Security in the future. Social Security provides retirement security for hardworking Americans.

Whenever I think about Social Security, I think about my grandmother, a first-generation American born to Italian immigrants. She and my grandfather had a small business, but she worked outside of that small business sewing gloves at the Napa Glove Factory. When World War II broke out, she was in charge of the division that made gloves for our Seabees. After the war, that job played out, she went to work at a Napa Valley winery labeling wine. She worked there up until she retired.

Her pension from those years of working was \$53 a month. You can't make ends meet on \$53 a month. It was Social Security that allowed her to live with dignity for the rest of her life. And she was proud of that Social Security. She would always talk about how she earned it, how she paid into it. And that is exactly what it is, it is an earned benefit, and it is so critically important to Americans when my grandmother was alive, Americans today, and Americans into the future.

Ms. Altman, if we don't pass this legislation and Congress makes no other changes -- and I want to point out, our friends on the other side don't have a proposal. So if Congress makes no improvements to Social Security, what will that mean for future generations of retirees?

Ms. Altman. Well, as I said, future generations are going to need Social Security more than today's retirees. And, as the actuary projected, if Congress takes no action

whatsoever, those benefits will be only about 80 percent of what they are now, and it will hurt the economy and it will be devastating.

It is an important point to remember also that the 2100 Act raises disability benefits and survivors' benefits as well as retirement benefits.

Mr. Thompson. Thank you.

Mr. Goss, in your estimation, how would this legislation affect retirement benefits for future generations of retirees?

Mr. Goss. For future generations, the -- as indicated earlier, and as Nancy just indicated, if we do not make any change in the law, when we reach 2035, there will only be enough income coming in after our reserves, which are now \$2.9 trillion have been used up, to augment payroll taxes. We will not have that reserve available anymore. So we will have 80 cents coming in in revenue for every dollar of scheduled benefit. That means the benefit levels that people are used to getting at this point would be paid, at that point, only 80 percent as much. That is a big drop.

By 2093, that is looking pretty far out -- for some of the children and grandchildren of folks in the room, though, that might be relevant -- that would drop down to only 75 percent. That would make a big difference. And I would suggest that, really, and we get into some of the numbers here, the amount of extra revenue that people at the \$50,000 or \$45,000 earnings level would be putting in over the balance of their career, relative to the additional benefit that they would be receiving largely by not having benefits reduced below what is scheduled.

The primary effect of this bill would not be to provide the 4.6 percent increase in benefits above what is scheduled; it would be to provide the 25 to 33 percent increase in benefit levels after 2035, relative to what will be payable if you all do not act in legislation.

Mr. Thompson. Thank you very much. Thank you, Mr. Goss.

Mr. Larson. Mr. Marchant, you are recognized.

Mr. Marchant. Thank you, Mr. Chairman.

I would like to thank Mr. Larson and Mr. Reed for the hard work that they are doing on this subject. I was able to serve on the Social Security Subcommittee for a couple of sessions, and those were very informative meetings, every meeting we had. And appreciate the work that is being done.

This week, I have had a couple of days where I have had my 15-year-old granddaughter visiting me, and I have begun the thought process of my 89-year-old mother and my 15-year-old granddaughter and how this system will serve them both. So I have 80,000 people on Social Security in my district, as best that we can ascertain. And I consistently hear from them, and believe it or not, the thing I hear from them most is not really concern that they won't get their benefits, it is concern that their children and their grandchildren will get their benefits. So I appreciate the proposal -- every proposal that we can consider.

I don't personally agree that this is the path that we should go on this, but I am open to a proposal that would extend the benefits to every generation. The folks that I hear from on Social Security are really -- they are more concerned about just one line that is put in their report when they get that yearly report, I get it, everybody gets it. And it is a disclaimer line that is put in there that at a certain year, the 80 percent -- you will get 80 percent of your benefits. They pay very close attention to that line, by the way.

The plan being discussed today, though, very unfortunately, the burden that it will place on the other 700,000 people in my district, the group that is working. The average family in my district, a 2.4 percent payroll tax will basically cost that household about \$1,780 a year, and then their employer that as well.

So, Ms. Brozyna, how do you think that in the real world that is going to affect -- and I have a district that is -- I think we have 2 percent unemployment, and we are fully employed, fully engaged in the economy and beginning -- and really beginning to benefit from this economy, this growing economy, low unemployment, lower taxes. What would this do to that atmosphere?

Ms. Brozyna. Thank you. I actually think that it will be devastating to them. I am, in all respect to Mr. Thompson's statement that he made, I have been working with the small businesses community for over 24 years. I have been in the trenches with them. I have been helping them. Established companies might be okay with this, and they might be perfectly fine to add a few taxes by increasing prices, things like that. But when you are getting to the real small businesses and in a rural community, and in an agricultural community especially, they are going to be paying that total tax themselves. It is going to come into them, it is going to affect their households. And, quite honestly, working with these businesses and the testimonies that I have been receiving from the people that didn't even know that this was coming out, they are really nervous about this.

They are thinking about today. They are not thinking about 30 years down the line. They are thinking about trying to figure out how to pay their bills today. Small businesses struggle, and especially in the start-up phase when they are looking to start up, you know, they are boot-strapping everything. They are trying to figure out how they can make it through three, six, a year.

The failure factor in small businesses is almost 90 percent for the first 3 to 5 years that people go into business. I have seen it. I have experienced it personally with my friends and my family. And so when you are adding additional taxes onto them that is going to be money out of their pocket, that means that it is less of an opportunity for them to be successful in the future.

And our goal here is not to add more burden onto the small businesses, which is our backbone of our economy; it is to help them. It is not to inhibit them from being successful.

Mr. Marchant. Mr. Chairman, finally, I would like to add that there are some days that I feel like at least 10 percent of these 80,000 seniors are affected by WEP. So I would love to see us address that -- the chairman address that at the very --

Mr. Larson. It is the full intention of the committee to take that up. It is our full intention to make sure that we explore that, but I would add that we have to make sure the system is solvent first, but we welcome any plan that you guys have on that order.

And with that, let me recognize Mr. Blumenauer.

Mr. Blumenauer. Thank you, Mr. Chairman. And I appreciate your work to initiate this conversation that we are having.

As a practical matter, Congress is not going to allow a 20 to 30 -- 20 to 25 percent cut in Social Security. If for some reason they screw it up and it is in effect for about 45 minutes, there will be a brand-new Congress. It will be a temporary problem, and maybe we will be able to jump start some serious conversation.

We haven't really had a serious conversation. It is something that I have been deeply troubled with. I have hoped that we could have a National Save Social Security Day and get people at least 1 day a year to focus on this, to understand the issues, to understand what is at stake. And when you do this, I have had these exercises in my district, and I find that there are not great concerns about actually raising revenue. You do this experience yourself and people will propose a balanced approach going forward.

But one of the things that is lost is that this is the best investment opportunity for a person, whether they are in the private sector or small business person. They can't buy social insurance like this. What Mr. Castle talked about in terms of his individual

situation. This is an investment in people's future. And what we are talking about, a few pennies a day, gives them the best retirement value they are going to have. Ironclad, inflation protected, and deal not just with retirement, but with disability and problems in terms of survivors.

This is lost. This is not somehow going into the Federal Government and into the ether. This is protection, the best social insurance and retirement insurance that anybody could have.

Second, Mr. Thompson's point -- for many communities, this is the largest industry. The money that comes from Social Security is far in excess of this factory down the road or this cluster of small businesses. This is an ongoing sustained revenue stream that strengthens particularly rural and small town America. You pull that out where they don't have the economic base in some large metropolitan areas; this is vital to them, it needs to be maintained.

Now, I am optimistic that we can move forward and be able to nail down some of the specifics. I think there are other funding options we can explore. I am happy to look at structuring the program.

But, John, I think you have done a great job of laying out something that I think can be embraced by most of the people who are looking at this straight on. But people have better alternatives, go for it.

The best alternative I have heard from Republicans in two decades I have been here was the privatization of the Bush administration, which would have turned the Social Security trust fund over to the cowboys at Wall Street just before the meltdown. We are concerned now about what has happened to a whole generation with their retirement income that was hurt and their housing values. Think what would happen if the Republican proposal to turn Social Security trust fund over to Wall Street, what we

would have done? I can't contemplate it.

Ms. Altman, I am just struck by the difference between what you said, 50 cents a week on average, and Ms. Brozyna has a daughter who makes \$45,000 a year who is going to pay \$3,330. How can that be?

Ms. Altman. That will be in 24 years. That is when the full effect --

Mr. Blumenauer. Oh, in 24 years. So this won't affect whether she buys a latte or not today? For her, this year, next year, the year following, it is 50 cents a week.

Ms. Altman. In fact, as Chairman Larson always says, if she does buy a latte, this is a much better investment.

Mr. Blumenauer. I just want to make clear that the games that are being played here in terms of statistics, looking at wild percentage increases, that is not the case, I mean, in terms of real dollar impact. It is 50 cents a week. And maybe 20 years from now, there is a large sum, but the benefits are even bigger in the economy.

I have gone over my time, I apologize. But I appreciate your clarifying that, that you are not in alternate universes.

Mr. Larson. The chair recognizes the gentleman from Pennsylvania, Mr. Kelly.

Mr. Kelly. I thank the Chairman.

And also, I want to commend you because this is a problem that has been looming for quite some time, and we also keep saying, well, we are going to have to do something about it in the future; well, the future is now. So this starts a critical conversation.

Fixing Social Security is something I don't think any of us disagree with, but the devil is always in the details. I mean, there are some references about wild estimates being made. The fact that the largest increase we have ever -- \$1.2 trillion over 10 years, \$19 trillion over 75 years actually comes from the Social Security actuary, not something that was dreamed up in the back room so that we could throw some type of a

negative light on what we are trying to do.

I am really interested, Ms. Brozyna. I am also a small business person, and I think sometimes we become confused as to where this revenue for Social Security comes.

Ms. Altman, I am not surprised that beneficiaries, when you are polling, said they don't want any cut in the benefit they are receiving. That is probably one of those things that if you know the answer you want to get to, ask the right question.

But every single penny that goes into this, tell people where this comes from. Because I think sometimes we get confused as to where does the money actually come from. It does not come from the government.

Ms. Brozyna. No. It is coming -- it is coming from sales, it is coming from business. And when you are adding, even if it is 50 cents a day or whatever the dollar amount ends up being, it is adding to their bottom line that they are not going to be able to grow. They are not going to be able to invest in their business. They are not going to be able to invest in their people. They are not going to be able to invest in their future.

Most businesses are looking at a 401(k). They are not thinking about Social Security as their beneficiary to retire at; they are thinking about their investment in their 401(k). That means less money to be able to put in there. I know lots of people are trying to -- lots of small business owners and friends and family of mine, they are trying to put more money into their future by investing as opposed to thinking about Social Security. But the bottom line is that any new tax, any new -- is a burden on small businesses and it is a burden on their bottom line of paying their bills.

Most small businesses that are sole proprietors or even LLC, they don't have workers, they are themselves the employee. They are paying the total brunt of that. And quite honestly, I mentioned the 3 to 5 years to break even. They are not even paying themselves. So they have to have a spouse or a significant other that is actually

helping subsidizing and feeding in on their household income as well in order to be successful.

And I just feel, by example and seeing it firsthand, the more burdens we put on small businesses, the less likely they are going to be successful.

Ms. Kelly. So the taxes that we are talking about, though, because most people in small businesses, the years that I paid the most taxes were -- oddly enough, they were the years that we were the most profitable, because you pay tax on profits. But the years I haven't paid one penny in those taxes, I still had other taxes I had to pay. The cost of operation goes on, and some things you are held responsible for, whether you are profitable or not profitable. You talk about 5 years before you finally reach that point where you are taking off. I think that sometimes is where the disconnect is.

Ms. Brozyna. Well, when you are talking about that profit margin, you are talking about breaking into that -- you are eliminating the opportunity for the positive side versus the negative side of the profit.

Mr. Kelly. Well, a dollar can only be spent once. So whether you buy equipment with it, increase your payroll, whatever you do, or pay taxes, that is a dollar that is no longer left for you to work with.

The real concern I have, though -- and again, I think Mr. Larson, this is his whole -- I think this is his whole reason for getting up in the morning and really is making sure that Social Security stays solvent, and we are all concerned about that.

I am just trying to figure it out. It just doesn't make sense to me where we are right now, that we can't come up with some kind of a fix for it, and we are going to have to do that. But where you are, because this is what it comes down to. Every single penny comes out of a taxpayer's pocket. It doesn't come from the government. I think it is so confusing sometimes.

Listen, in the district I represent, 174,000 people are beneficiaries of the 705,000 people that I represent. This is critical to their well-being. I just think there is a way to get there. I am not sure exactly what it is today. I just don't think that adding to the cost of operation, and especially in those years when you don't have any profits, we are adding to your burden and then holding you responsible for not caring about people.

If anybody on this dais tells you that there is anybody in an elected office that doesn't care about the people they represent, that is an outright falsehood. And, again, the failure of having good policy always turns to something else, and it is always -- let's try to make the other side look worse. I would just like to see us at one time come together.

Mr. Larson, I think you started something that is really good here. There is no reason why we can't come together as elected representatives of the American people to come up for a fix for this. It has nothing to do with being a Republican, a Democrat, an Independent or whatever it is that you choose to be, that is the beauty of being here, but we have do common concerns and we have to come up with a common fix.

Thank you.

Mr. Larson. And I thank you.

And just a reminder as well, since the Fed reported since 2008, 90 percent of all Americans have not recovered their wealth in assets, and those Americans rely on Social Security. During that same time, Social Security never missed a payment.

With that, I recognize Mr. Kind from --

Mr. Kind. I thank my friend from Connecticut. And I am glad to see that there is bipartisan recognition towards you, John, that you have started a very important conversation. And there is also bipartisan recognition here today that time is not an ally for us to fix a system that we know is going to be looking at some draconian automatic

cuts unless Congress gets our act together and takes decisive action. So I compliment you and commend you for the hard work that you have done here.

Mr. Goss, let me start with you. Address this issue that all of us hear repeatedly back in our congressional districts: If those darn politicians had just kept their hands off the Social Security trust fund, we wouldn't be in the problem we are today.

Mr. Goss. Kept their hands off the trust fund. Well, the law that you all put into effect, and the Senate also, says that every dollar that comes into the Social Security trust funds must be invested in interest-bearing securities backed by the full faith and credit of the U.S. Government. That has always been done. We expect it always will be, and those moneys are as secure as any investment that can be made anywhere.

Money that go into the trust fund cannot be spent on anything other than Social Security benefits. It has always been the case, and we certainly expect that will be the case in the future.

Mr. Kind. And up until, I think, next year, we have had the luxury of being able to run a site surplus for that money was being invested in this trust fund, but now we are going to start depleting that trust fund starting 2020 until 2035. Is that right?

Mr. Goss. Exactly.

Mr. Kind. And in 2035, that trust fund will be depleted, and that is when the automatic cuts would have to occur if action isn't taken. Is that correct?

Mr. Goss. Well, that is the point at which the continuing revenue coming in will be insufficient to pay the intended full scheduled benefits, and the law exactly how that would be handled is not --

Mr. Kind. Then one of the errors of the original system, wasn't it, that it wasn't a defined contribution plan? This was a pay-as-you-go type of system where current workers are supporting current retirees. And in the past, when we had many workers in

the system and few retirees, it worked perfectly. And when life expectancy wasn't as long, no problem. But suddenly, those dynamics have caught up with us demographically, haven't they?

Mr. Goss. Well, initially when the benefits first were paid in 1940, people had to have worked for 2 of the last 3 years to get a benefit. Few 85-year-olds were in that position, so we had very few beneficiaries. But we were getting payroll taxes, only 1 percent each, employer/employee initially. So we were able to pay very little.

The history seems to suggest that the reason we did not go for a fully advanced funded system at that point was the economy was bad and we were coming out of a depression and, therefore, levying taxes at the level that had been required to fully advance fund the system, only providing benefits for people who were starting to work then and no benefits for 40 years, would not have been an appropriate --

Mr. Kind. So let me ask you this. We are having a conversation today about benefit adjustments, revenue adjustments and that, but what we also need to have as part of the conversation, I think, is workforce participation. Because you get more workers in paying FICA tax, that could solve a lot of problems. Unfortunately, I don't see a baby boom on the horizon. And even if there was, it is not going to catch up with the current 10,000 a day baby boomers that are currently retiring and entering the system.

But there is another way of increasing workforce participation, isn't it? It is through comprehensive immigration reform. If we did that and brought more workers in, would that help the solvency of the Social Security system?

Mr. Goss. More immigration is definitely a positive for Social Security, not only if they come in at relative young age for their own work, but also if they have children. And the more births that immigrants would have also contribute towards the growth and the size of our population, and changes, most importantly, the age distribution of our

population.

As you indicated, what we really have facing us over the next 20 years, starting actually about 2008, is a fundamental shift in the age distribution of our population, largely because of the drop in the birth rates after the baby boomer era.

Mr. Kind. Isn't it true that a typical immigrant is paying more into the Social Security system than they actually draw in benefits?

Mr. Goss. That is almost certainly true, especially people who come into the country and are not yet legal permanent residents. By and large, they will not receive benefits at all.

Mr. Kind. Since I am running out of time, let me just get to my final point. I am one of the few, if maybe the last Democrat that hasn't cosponsored Mr. Larson's bill, and we are in deep conversations about it. But one of the hesitations I have, and the point has been made, that relying on just a FICA tax increase, you are relying on the most regressive tax in the Tax Code in order to pay for it. And that is kind of the genius of John's proposal is using the existing structure of revenue and tweaking it and making some adjustments and filling in the gap that needs to be filled in.

But the true wealth in our country isn't being created through payroll recipients; it is through capital ownership, and it is your stocks and your bond owners, your real estate, your hedge funds, your private equity. This is where the wealth and the income inequality is expanding. So there may be other creative ways for us to be able to replenish the drop in revenue rather than just relying on the most regressive tax in the entire system and expecting lower- and middle-income families paying more in FICA taxes.

So, John, that is one of the things I want to talk to you further on and see if there is any other way we can think creatively on this system. But thank you so much for the

work you have done in advancing it, and appreciate the panel's testimony today.

I yield back.

Mr. Larson. Well, we welcome all ideas that people have, but we would like to get them in writing. And what the proposal is, is I think that that is always the best way to do it.

And with that, let me recognize Mr. Rice.

Mr. Rice. Thank you, Mr. Chairman.

This is certainly an interesting conversation, and I have heard now the Chairman and Mr. Kind and Mr. Blumenauer all say that this is a start of a conversation. And I thank you, Mr. Larson, for bringing this as far as you have.

I don't think that the plan in its current form is a finished product. I think it is a conversation starter. I think if we brought it forth in its current form, I don't think it would go anywhere.

You know, my area is growing very quickly with folks retiring from the northeast into South Carolina, and certainly, Social Security is extremely important to that demographic. And, obviously, people are threatened by the potential insolvency of Social Security. We have to solve it. We have to make that promise that we made to our seniors. Absolutely golden, I 100 percent agree with that.

But the basic problem here, you know, with the baby boomers retiring and the reduced birth rates and all that, is that we didn't quite withhold enough. That is the basic problem. We didn't quite withhold enough. So if we didn't withhold enough during our baby boom generation, if I didn't pay enough in personally, then who should make that up? I mean, should it be those people or should it be the younger generation who already face a whole lot of problems that we didn't face coming through as baby boomers?

In fact, you know, I really focus really hard on trying to make sure this younger generation has as much opportunity as we did when we came out of school. I am really concerned about that. And here now, we are talking about, not only them facing this reduced opportunity, but, oh, gosh, we didn't withhold enough on the baby boomers, so guess who has got to pay for that? You guys do. You know, our children do and our grandchildren do, and that does not seem fair at all to me.

So, you know, I want to get straight on the math, Mr. Goss. Mr. Goss, there has been all this talk about the math is wrong. But let's take a guy who makes \$60,000 a year and he has got two kids. \$60,000 a year is about median household income. So he doesn't have to pay hardly any income tax, right, but he has to pay the Social Security tax. Let's say the guy is a plumber. So he pays both sides, right?

He gets a 1/10th of a percent tax increase year one, right? \$60,000, that is \$60 bucks. That is not much. But year two is that \$60 plus another \$60, right, so now we are \$120. Year three, another \$60, that is \$180. Year four, another \$60, that \$240. And when it is fully phased in, the guy who is making \$60 grand a year and got two kids, he is paying another \$1,440 a year to cover the fact that we didn't withhold quite enough. And that truly seems completely unfair to me.

We need a balanced solution. Nothing is going to happen. It has got to be bipartisan. All these fixes for Social Security has always been bipartisan. You talk about a plan, well, you know, President Obama actually sought a bipartisan solution, and he put forward the Simpson-Bowles Commission. The Simpson-Bowles Commission had some really interesting ideas on how to fix Social Security. It was handed out by Erskine Bowles and Alan Simpson, a Republican and Democrat, and it had Republican and Democrat members. And they came up with broad solutions on how to fix it. President Obama got the recommendations and stuck them on the shelf, and that is

where they have been ever since. But that might be a good starting point.

We have to do this, though. This is something I agree with Mr. Blumenauer, Social Security will never be allowed to become insolvent. Everybody up here recognizes that. It is just a matter of actually starting a bipartisan conversation, having these hearings on a bipartisan basis, and really exploring solutions rather than throwing up a plan and saying, this is the plan and we are going to take this or leave it, however it is.

So, again, my friend, thank you for bringing this up, and I look forward to meaningful conversations. As Mr. Blumenauer said, we haven't really had a meaningful conversation. I look forward to meaningful conversations on how we address and correct this problem.

I yield back.

Mr. Larson. I thank the gentleman, and we look forward to meaningful plans as well.

And so with that, I will recognize Mr. Pascrell from New Jersey.

Mr. Pascrell. Thank you, Mr. Chairman.

James Hatfield, Ernest Hemingway, John Dunn, and one of my favorite musical groups, Metallica, all asked, for whom the bell tolls, for whom the bell tolls. And that is what this is all about here.

I have heard the same speeches since I have been here 10 years ago, 20 years ago, about don't worry about it, we always get down to this point and then we rise up like the sun and we take care of Social Security.

Well, if you take that attitude, we are going to wait another 10 years, and then we are getting very close to the red line. We talk about the red line in terms of the environment. Now we see tangible signs all around us. We are not so sure. What

are we going to do next?

This is a critical question, not only for those people on Social Security, for a lot of children who are on Social Security, for a lot of people SSI, we are talking about a lot of people here.

And we have been through the possibility of privatization. I made a commitment when I ran for office I would never vote for any kind of privatization or cut in benefits, and I am sticking to it. That is it. That is my story. And I want to find a way. I want to be part of all of us finding this solution. And, John, you brought us to the water. And he has done a great job in doing that. There isn't one meeting I have ever gone with John anywhere in this country, I have traveled with him, and he always listens to ideas.

The argument that we -- you know, about what is fair, why should some people have to pay for other people? Well, we did that with healthcare up until 2009. And Democrats paid for what they did in the next election, but we did what we had to do. It wasn't perfect. We never have passed perfect legislation.

So Congress, and this panel particularly, we have a very special responsibility. Our Nation's core retirement security system is lurching towards insolvency. I am not satisfied with the response that, oh, well, we have been through this before, don't worry, everything is going to be fine. Every year, we get closer to the do line. It is no longer we will be the distant early warning signal; we will be there. We will be there. How many people just live on their Social Security check? How many?

So we all try to help in the cause to get the solution. It is called democracy. And when we try it, it works. Not all the time. No one is perfect here. Social Security lifts more Americans out of poverty than any other Federal program. Twenty-one million people last year. That is a great number.

I want to ask a question to Nancy, if I may. Ms. Altman, in your testimony, you note that the features of Social Security are not found in private alternatives. Can you elaborate on why a private alternative would not match Social Security?

Ms. Altman. Exactly. Social Security has the best features of both defined contribution plans and defined benefit plans.

Mr. Pascrell. Go for it. Go for it.

Ms. Altman. So that Social Security is completely portable from job to job, it is good for long-term employees, it is also good for short term employees, so those are the features that define benefit, define contribution. But, in addition, it has benefits you cannot find and cannot purchase in the private sector.

So, for example, if you have a spouse, you have a joint and survivor annuity piece. But unlike private sector where the life insurance piece goes down, this is an add-on benefit. You have benefits for children, which you do not generally have under traditional pension plans. You have the disability insurance and the survivors insurance.

Mr. Goss' office has calculated the value of these benefits, and it is hundreds of thousands of dollars for someone earning about \$30,000 with two young children.

Mr. Pascrell. Thank you very much.

Thank you, Mr. Chairman.

Mr. Larson. Mr. Schweikert is recognized.

Mr. Schweikert. Thank you, Chairman Larson, Mr. Brady.

Okay. I want to walk through -- I think you are going to hear, Republicans and Democrats, we all agree, got to protect the system. We are doing great violence to the system here unless we have sort of an honest unified theory. So let's think, what did we do on the floor yesterday? We took care of a small portion of the multiemployer pension systems that are collapsing. But we only took care of maybe 20 percent of

them. The others we cut adrift.

How many of us have actually read articles, understand what is happening at our municipal level, our State level, a number of private pension systems, and we have to deal with the reality of Social Security in some ways is -- the math is easier. And I compliment Mr. Larson and his team for the math they have given us, it has actually helped us work on our unified theory.

Medicare is the, you know, 110,000-pound gorilla that is driving us. So let's walk through some of the math, and then I am going to bring you only one board today. I thought that would make you happy.

Next 10 years, 91 percent of the spending increases in this government, the next 10 years, 91 percent are just Social Security, Medicare, healthcare entitlements. Next 30 years, if you remove Social Security and Medicare, the budget, the cash balance is actually in the trillions and trillions and trillions in the positive side. If you pull Social Security and Medicare in -- now, this board is a year out of date, the updated board, but the numbers are pretty similar -- were \$100 trillion in debt just from the growth of Social Security and Medicare.

You cannot -- it is dangerous to have a conversation of only Medicare and not Social Security, and Social Security without Medicare, and the other pension liabilities. I beg of you, because here is my fear of the violence we do in the retirement system, and our actuaries would probably really appreciate this, if we solved the Social Security portion of that, where are you getting the cash to deal with the Medicare portion? Where are you getting the cash to deal with the rest of the multiemployer? Where are you getting the cash to deal with the municipal? Where are you getting the cash to deal with the States?

Understand, unless we step up and deal with this in a unified theory, the cascade

of violence that is coming to retirement security is crushing. I appreciate wanting to talk about Social Security, and we do these things, we can raise these taxes, change these populations, change these contributions. Okay. You did the easy part.

Unless we are going to start to add in the Medicare, which is the much larger portion -- I mean, think of this. Over the next 10 years, and this isn't art, this is Manhattan Institute numbers based on Congressional Budget Office. Okay. Total cash shortfall with interest, Social Security about \$30 trillion, but Medicare itself is well over \$70 trillion. Don't do one without the other. You got to step up and do it all together.

And then with the other proposals that are moving around this body, it seems like we have just avoided the reality of the biggest discussion, and demographics aren't Republican and Democrat. We have 74 million of us who are baby boomers. How did Congress miss that there was 74 million people who are going to turn 65 in an 18-year period, and we just now discovered it?

So for my Democrats, for my Republicans, for my witnesses, understand, I know we all talk our book and the thing we are most interested in, but unless you come to us with a unified theory of what we are going to do with all the union pension plans that are collapsing, all the municipal plans that are collapsing, the State plans that are in great stress, and then to actually put Medicare and Social Security and the other plans that we guarantee, whether it be, you know, for our veterans, for public employees, everything else, it is what consumes every dollar of this government in the next three decades.

I beg of you, it is time to step up and deal with the reality, and it is called math.

I yield back.

Mr. Larson. I thank the gentleman.

And now we will go to recognizing two Democrats, and then back to the Republican side. The chair recognizes the gentleman from Illinois, Mr. Davis.

Mr. Davis. Thank you very much, Mr. Chairman. And let me commend you for the passion and enthusiasm that you have brought to this process, and the tremendous interest that you have helped to raise across the country in what I consider to be one of the most important issues facing us.

You know, listening to this conversation sort of reminds me of my father that we finally got to retire after he was 87 years old, because he was always seriously concerned about pride, self-sufficiency, the notion that he could take care of himself, and he didn't need any help.

And so after being 87, he lived with me on the weekends when I was home. So I got a chance to really see him in action. And he always wanted to pay for things. We would go to dinner and he would say to my wife, Vera, I am going to pay for your dinner. Of course, his Social Security check was \$567 a month because he was a small business person. Actually, he was a sharecropper and worked hard for all of the time that he worked.

But self-sufficiency was a big deal with him, and that is part of what Social Security means to many of the people in the community that I represent. Thousands of senior citizens who live in colonies of senior buildings, and all of them are basically drawing small Social Security checks. And they take care of the small businesses in the areas where they are.

And without their checks, these small businesses would not exist, and they wouldn't either. I have always taken the position that money to the economy is like blood to the body. As long as you can keep it circulating, moving back and forth, around from this person to the next, from this business to the next, means that the economy is okay. The same way if the blood keeps circulating in the body, you are doing all right. But if you get too much of it on one side or if it is not getting to every part, then you get a

kind of paralysis. There is no movement. There is no activity.

Mr. Goss, let me ask you, how does Social Security really impact the total economy? Because I see much of this as an investment that keeps us strong and healthy. What do you think about it?

Mr. Goss. That is a really good question. You say affects the total economy. We know that under current law Social Security from workers and workers' earnings are, what, about 35 percent of total gross domestic product, that Social Security on that 83 percent support of a taxable maximum is a 12.4 percent payroll tax now. Nobody likes to pay payroll taxes, but that is paid in. That is close to a trillion dollars that is brought in in taxes.

However, because Social Security is a pay-as-you-go system, essentially, that same amount of money goes out to beneficiaries. So one of the questions in economics is who is paying and who is receiving. A pay-as-you-go system is basically a redistributive approach. And in terms of generating economic growth, one thing you need to have to have economic growth is to have demand for goods and services.

And especially under this bill where much of the payroll tax increase would be people above our current \$132,900 taxable maximum, not immediately but far out in the future, those individuals, as an economist would tell you, have a relatively low marginal propensity to consume. Each extra dollar of income, they are going to probably spend less of that on buying goods and services. Whereas, our beneficiaries, if we maintain the benefit scheduled in current law, instead of having the 20 or 25 percent reduction, they will tend to spend more of that additional money that they are able to retain on buying goods and services.

So it is at least, on balance, probably a net nothing effect and possibly a net positive effect, what Social Security does for the growth of GDP.

Mr. Davis. Thank you. My time is up.

Thank you, Mr. Chairman.

Mr. Larson. Ms. Sanchez.

Ms. Sanchez. Thank you, Mr. Chairman. And to all of our witnesses, thank you for joining us here today.

I do want to also add my voice to those that are thanking Chairman John Larson for his leadership on fighting to protect and strengthen Social Security for current and future retirees.

Social Security isn't just a guarantee, and it is certainly not an entitlement -- I hate that term -- because it is an earned benefit that working Americans pay into over the course of their careers. More than 112,000 seniors in my district depend on that benefit to survive, and the Social Security 2100 Act will give them a much needed increase to account for the true cost of living that they are facing.

The reason that current Social Security benefits are inadequate isn't just because traditional defined benefit pension plans are increasingly rare. Social Security benefits are calculated by your lifetime of earnings, and women and people of color are inherently at a disadvantage when it comes to their earnings because, on average, they are paid less over the course of their lives and have higher rates of disability than their White or male counterparts. Being a Latino woman, I am acutely aware of that.

Without Social Security, 46 percent of Latino seniors would live in poverty. Less than a fifth of Latinos receive retirement benefits from something other than Social Security, and that is lower than any other demographic group. That means that they are scraping by on a meager average annual income of a little over \$14,000 for Latino men and about \$12,000 for Latinas.

RPTR BRYANT

EDTR SECKMAN

[12:05 p.m.]

Ms. Sanchez. The death of a spouse can make that disparity even harder. The average widow sees a 33 to 50 percent reduction in Social Security benefits after the death of her spouse. However, they need about 79 percent of their combined income to maintain their standard of living as a widow. That is why I have introduced a bill to ensure that widows and widowers maintain 75 percent of their combined income after their spouse passes.

Ms. Altman, I would like to ask you if you could please expand on the difficult financial choices that widows and widowers face after losing a spouse and how additional benefits could help them?

Ms. Altman. Absolutely. And I think your legislation is extremely important. Social Security has really transformed the Nation and really reduced poverty among seniors in particular. But there still are disproportionate pockets of poverty, and one of those are widows as well as divorced women and single women are in that category, too. So that when you have got a two-earner couple earning about the same amount and one of the spouses dies, the man dies, the woman is left, the income is cut in half. And, often, your expenses don't drop by half.

Ms. Sanchez. Expenses keep going up.

Ms. Altman. Your expenses keep going up. It is why your bill is important, also why the 2100 Act is important, because not only are there across-the-board increases, women, Hispanic women in particular but all women, on average, live longer than their male counterparts. And having an adequate cost-of-living adjustment so the benefits don't decline over time, erode over time, is important.

Ms. Sanchez. Yes. That is one of the major features of Mr. Larson's bill that I am very excited about.

Ms. Zapote, I know firsthand how difficult caregiving can be, and I have been proud to work with my colleague Mr. Kelly on a bill to provide a tax credit for caregiving. The Social Security 2100 Act also provides much-needed support for caregiving. Can you talk a little more about how this bill would help workers provide care to their loved ones?

Ms. Zapote. Yes. Especially when it comes to the caregiving credit, we need to ensure that families, especially women, who usually tend to be the ones that caregive for their families, whether they are mothers or whether they are taking care -- or are daughters taking care of their families, we need to ensure that when they take time off of work, when they take time, when they decide to completely leave their job to caregive full time, that there is a caregiver credit at the end of their lifetime so that it can ensure that they do end up getting their full credits at the end of their lifetime to be able to get their full Social Security benefits. And so that is something that would consequently be the saving grace to some of these Latino families in their intergenerational homes.

Ms. Sanchez. Okay. And, Ms. Zapote, the proposals that we hear from the other side of the aisle to supposedly strengthen Social Security would actually either mean a less generous COLA or an even higher retirement age. Can you talk about what this would do to the disparity between Latino retirees versus their counterparts?

Ms. Zapote. Sure. I think just in general, being a millennial, we are already seeing benefit cuts, because we won't be able to retire until we are 67. That is a benefit cut in its own.

Secondly, when we are looking at the different areas on how to actually give better benefits to Latino communities and actually all Americans all around, because whatever benefits Latino communities will actually benefit Americans across the board,

we need to ensure that these different pieces of legislation are being set up to ensure that these American families do have enough money at the end of their lifetimes.

Ms. Sanchez. Thank you so much.

And I yield back.

Mr. Higgins. [Presiding.] Mrs. Walorski.

Mrs. Walorski. Thank you, Mr. Chairman.

Thank you to all of our witnesses for being here today and sharing your expertise.

It is no secret that Social Security is in desperate need of long-term financial stability. In the near future, it faces a shortfall in the trillions of dollars and an impending inability to fully pay out benefits that Americans have rightly earned. I share the same goal as every member on this dais, to ensure that this crucial program is protected for current recipients and future generations. And I know firsthand how impactful these benefits are in the lives of Americans, with a mother of which I am a caretaker of who receives Social Security benefits.

Clearly, these significant financial issues with Social Security must be addressed sooner rather than later, but massive tax hikes on hardworking Americans, as proposed in the Social Security 2100 Act, are not the way to go, especially when we worked so hard to lessen the tax burden on millions of American families with the Tax Cuts and Jobs Act. These tax hikes would only serve to hurt American workers and undo the growth we have seen with our Nation's small businesses.

I am also disappointed that the Democrats' proposal does nothing to address a problem known as the retirement earnings test, which reduces benefits for Social Security beneficiaries who haven't yet hit their full retirement age and continue to work. The RET limits choices for seniors and acts as a disincentive for those who want to continue working after claiming Social Security benefits. This Congress, I am proud to lead the

Senior Citizens' Freedom to Work Act, formerly championed by Social Security Subcommittee Chairman Sam Johnson, which would eliminate the RET for all Social Security beneficiaries and build upon legislation in 2000 that eliminated the RET for those at their full retirement age. I hope that we can work together. I hope I can work with my colleagues on the other side to move this commonsense provision and ensure that seniors have the freedom to work without being penalized by the government.

Changing gears just really quickly, Mr. Goss, the Larson plan cuts taxes for seniors by increasing the amount of earnings a person has to have for their benefits to be subject to income taxes. This is an idea that does have bipartisan support. However, while the Larson plan increases the thresholds for the tax on benefits to start, it does not index them. This is the same problem that we have with current law. If the \$25,000 threshold created in 1983 had kept up with inflation, what would it be today?

Mr. Goss. Back at that time, the rate of increase and inflation by the CPI has since 1983 up to 2019 increased by about 150 percent. Therefore, the \$25,000 threshold for subjecting benefits to tax for a single filer, if it had gone up by two and a half, it would go up to \$62,500. And for the joint filer, the \$32,000 threshold would have gone up to \$80,000. So, in the Larson bill, those numbers would be taken up to \$50,000 and \$100,000. Fifty is not quite as high as the \$62,500 for single filers, but, actually, \$100,000 is higher than the \$80,000 for the joint filers.

Mrs. Walorski. Got you. So, while the Larson plan increases the thresholds, it doesn't treat seniors today the same way as seniors back in 1983. I think we need to make sure that our seniors aren't facing a backdoor tax increase due to poor policy design, such as what we are talking about today. Such an increase could be devastating on many seniors, especially those who have carefully budgeted every penny for retirement over the course of years.

Any plan to address Social Security should make the lives of seniors easier, not burden them with surprise tax increases. As this committee continues to evaluate proposals on Social Security, I hope we can work together to protect seniors' benefits and prevent them from being unfairly taxed.

And, Mr. Chairman, I yield back.

Mr. Larson. Thank you. And we look forward to working with you and everyone on the committee with their written proposals.

The chair recognizes Mr. Higgins.

Mr. Higgins. Thank you, Mr. Chairman. You know, our colleagues on the other side have talked about program solvency, and they talk about math, but every time they talk about math, they leave the room when the very thing we should be talking about is the math.

In 2017, there was broad support for a corporate tax cut of 14 percent that added close to \$2 trillion to the deficit over 10 years. The Federal budget deficit and the national debt today are growing at an alarming rate. The national debt has increased \$3 trillion in the past 24 months. This year's budget deficit will exceed \$1 trillion, meaning that we will spend more than a trillion dollars than we take in. American taxpayers will pay \$360 billion in interest on the debt this year.

Social Security has a trust fund of \$2.9 trillion. By law, the money that is not paid out in benefits are invested in Treasury securities, from which the Federal Government borrows to pay for the government programs that don't pay for themselves. That is cold, hard math.

According to most economists, a corporate tax cut, including the most conservative economists, you can expect for every dollar that you give away in a corporate tax cut to recover 32 cents. That is a loss on investment of 68 percent. That

is a math problem. Social Security, in addition to being probably or arguably the greatest antipoverty program in the Nation, adds growth to the economy. We have a \$21 trillion economy, 70 percent of which is consumption. For every dollar that you put out for a Social Security benefit, \$2 in economic growth results. It seems to me that the math is in Mr. Larson's favor here.

We have a demographic problem. 10,000 people every single day turn 65. There are fewer people paying into Social Security moving forward than will -- more people will take out of Social Security than are paying into it. John Larson is trying to take a very forward-looking view of a great program that has a massive surplus, looking at the age demographic and societal changes that are occurring and anticipating what we should do responsibly to address it.

Not once have I heard a constructive alternative from the other side about what it is they oppose. He has the guts to suggest that, yeah, because of these demographic changes, there are going to have to be revenue increases in the form of taxes. That is just an honest approach to things. There was a day when my colleagues on the other side called themselves deficit hawks. Where are the deficit hawks? Where are any of the deficit hawks?

Here is a Member of Congress who has worked hard over the last 24 months and before that to protect, to strengthen Social Security, to increase the amount of monthly checks for Social Security beneficiaries so that they will spend it and add growth to the American economy. This bill provides a real cost-of-living adjustment to keep pace with real inflation, including the highest cost associated with older Americans, that being rising healthcare costs. It provides a tax break for some Social Security beneficiaries that can't afford it, and he puts a little bit more burden on those who clearly can.

This is a good bill. Mr. Goss, I am sorry to have taken up so much time, but you

are the math guy here. What are we missing?

Mr. Goss. I would say you have got it about right. I mean, I guess the one thing that I would suggest that has perhaps been missed here is discussion of exactly what the effect for millennials would actually be.

If you look, for instance -- I have one little example here that I worked up. If you look at a millennial born in 1990 -- that is about the middle of what I understand to be the millennial generation -- if you look at the additional taxes of \$50,000 a year a millennial earner would have, starting in 2020 up through 2043, remember the 2.4 percent. Even counting all of the 2.4 percent as out of their pocket, the amount of money for a \$50,000 a year in the first year would, of course, be only 0.1 percent. That is \$50. It rises up over time. But if you look at the total amount of money that that millennial, who would be age 29 this year, would pay up through all the way through age 66, that would come out to be \$31,000 of additional taxes they would pay, counting the employer and employee share.

Now, if you look at, however, what this bill would provide for them in benefits, it would avoid having what is payable under current law be 20 percent less than is scheduled, rising to 25 percent less. That means that, given a \$50,000-a-year worker would be expecting about a \$20,000 a year benefit scheduled under current law. They will get about \$4,000 less than that unless there is some remedy to pay the full-scale due benefit.

So, if they have a 20-year period of time in benefit, \$4,000 less, that will be an \$80,000 loss, or you might say that, just getting up to scheduled benefits, this bill and others like it would provide an additional \$80,000 of benefit for that millennial 29 years old today earning \$50,000, paying in an extra \$31,000. That is actually a pretty good deal.

Now, lest you think it is magic money, which it isn't, obviously, some people pay less for the extra benefits, other people pay more, and that is the nature of the bill, why we have in this bill the tax rate applying to earnings above the \$132,900, the top 6 percent of earners.

Mr. Higgins. Thank you for your math.

And I will yield back.

Chairman Neal. [Presiding.] I thank the gentleman.

I recognize the gentlelady from Washington State, Ms. DelBene.

Ms. DelBene. Thank you, Mr. Chairman.

And thank you to Mr. Larson for all of his work on this issue, and thanks to all of our witnesses for joining us today.

In 2017, Intuit estimated that a third of the U.S. workforce earned money from the gig economy, and that share will increase to 43 percent by 2020. But gig economy workers have special challenges when it comes to preparing for a secure retirement, especially when it comes to benefit portability.

Ms. Altman, can you talk about the portability of Social Security benefits and how that directly benefits a gig economy worker?

Ms. Altman. Absolutely. As I previously said, Social Security has all the advantages of defined benefit plans and defined contribution plans, none of the disadvantages, and other advantages as well. Gig economy workers are not protected under minimum wage, maximum hour, other protections that they should be, but, fortunately, they are protected under Social Security.

Social Security is portable from job to job. And, in fact, the Social Security 2100 Act, because it updates the special minimum benefit, the same way the minimum wage ensures that workers do not fall below a certain floor, the minimum benefit is supposed

to do the same thing with Social Security, but it no longer has the value that it used to have. So, by updating it, as the Social Security 2100 Act does, and have this benefit portable from job to job, it means that those gig workers, though they don't get a minimum benefit on their cash compensation, (though they should), they will at least get a minimum benefit on their retirement income.

Ms. DeIBene. Thank you. And that is important, because we know that most of Social Security's rules for retirement benefits were first set in the 1930s, and we haven't really kept up to reflect the composition and trends of the workforce and a family today.

And we also know particularly for women this has been a huge challenge. Marital patterns have changed significantly, shorter marriages. Those that last less than 10 years mean that spousal or survivor benefits are not often an option, and women use these benefits more than others.

In 2013, the Bureau of Labor Statistics reported that the average duration of a marriage ending in divorce was 9.2 years, and just under 45 percent of marriages end in divorce. Then compounding this issue, we know that women are still taking time out of the workforce to care for children, to care for their parents, and women are also punished for doing so. Seventy-three percent of women trying to return to the workforce after voluntary time out for childcare or other reasons have trouble finding a job. Those who do return lose 16 percent of their earning power.

So, again, Ms. Altman, can you tell the committee how these factors combined impact the Social Security benefits that women receive and how the 2100 Act would address that?

Ms. Altman. Absolutely. Because of all the factors that you have laid out and some additional ones as well, there is a persistent gender wage gap in our society, and it is even more severe for women of color. Social Security can't offset all the

disadvantages of the workforce, but it does do an awfully good job at offsetting a lot of them: It helps to offset time out from the workforce because of the weighted benefit formula, the lower wages because of the weighted benefit formula.

And because the Social Security 2100 Act builds on that really strong structure that was put in place in 1935, the benefit increase that is the across-the-board benefit increase that is in the 2100 Act is weighted towards lower income, so should disproportionately benefit women. In addition, because women, on average, live longer, the updating and the making more accurate the cost-of-living increase also will disproportionately benefit women.

Ms. DelBene. Thank you very much.

I yield back, Mr. Chairman.

Chairman Neal. I thank the gentlelady.

Let me recognize the gentleman from Kansas, Mr. Estes, to inquire.

Mr. Estes. Thank you, Mr. Chairman, and thank you to our witnesses for joining us today.

You know, in the last couple years, this committee has led efforts to grow our economy and get people back to work, and now we have got to look at how do we help people prepare for retirement after their careers are over.

And I think all of us here know that means we need to look at how we can protect and preserve Social Security for not just current generations but also future generations as well. As we mentioned before, you know, if we do nothing, the Social Security trust fund for retirement will be depleted in 2034, which would result in a 21, ultimately up to 25 percent, cut in payment benefits.

And so, clearly, we must act, and I believe we should act sooner than later because it is going to be an easier solution to make. And I think this is an issue

Republicans and Democrats can work together on and solve this for our country. But we have got to make sure that the solution doesn't involve devastating tax increases, which will slow down the economy, put more people out of work.

So, unfortunately, the plan we are talking about today from Congressman Larson includes a nearly 20-percent payroll tax increase, which I believe will hurt lower income, hurt millennials, and help make it harder for small businesses to give raises to current workers or create new jobs. And that threatens to bring the economic growth that we have seen to a halt or drastically slow it down, which will cause us to reverse course. And that is something that, you know, the Tax Cuts and Jobs Act have helped working families keep more of their money that they have earned.

So, in addition to that, the plan results in similar benefit increases for people making \$23,000 a year as well as those making over \$250,000 a year. And so, with the trust fund in danger of drying up, I don't think we need to help the wealthy get more money out of the trust fund. We need to focus on how can we come up with a better solution. And so, instead of raising taxes, let's focus on what we can do to make sure that the Social Security trust fund supports those that are most in need, reward work, and modernize the program. And, as always, with the case of improving Social Security, I think we need a bipartisan solution to help make that happen.

I do have a couple questions that I wanted to go through. And, you know, one of the things Mr. Goss, you noted during your discussion that Social Security revenue can only be used to pay Social Security benefits. And under the Larson plan, the Medicare trust fund is supposed to be made whole from changes to tax on benefits, but it doesn't show anything about general revenue transfers. So can you explain a little bit about how the Medicare trust fund is going to be protected? Is the money going to come from transfer from Social Security? Is it going to be transfers from general revenue, or how is

that going to happen?

Mr. Goss. Really excellent question. Social Security benefits above the \$25,000 and \$32,000 thresholds now are subject to being taxed up to half or even up to 85 percent for personal income tax. IRS collects that revenue from individuals from paying their income taxes and segregates out the amount that comes from Social Security benefits. They then divide that up amongst the old age and survivors insurance, disability insurance, and Medicare hospital insurance trust funds, per the law and per the way it is intended to be distributed. So the money all really comes into IRS. The money is then simply provided as directed by law, divvied up, if you will, amongst those three trust funds.

So what we would be talking about here is there would be a reduction in the total amount of income tax on OASDI benefits going forward. And with less money coming in, there has to be less money distributed amongst those three funds. This law would say that it is not intending to touch the Medicare hospital insurance fund, so it would still get the same dollar amount that we would have were this law not enacted. That would mean less would have come to the OASI and DI trust funds.

Mr. Estes. If we are raising the caps on income being taxed, wouldn't there be less tax, which means there would be less going into either the old age or to Medicare trust fund?

Mr. Goss. That is correct, there would be. Of course, somewhat offsetting that, of course, is if we start to have larger benefit levels in the future, larger benefit levels will, therefore, by way of being larger, there will be more benefits that can be subject to income tax. So they work in opposite directions.

Mr. Estes. All right. Thank you very much.

I yield back.

Chairman Neal. I thank the gentleman.

The gentlelady from Wisconsin, Ms. Moore, is recognized to inquire.

Ms. Moore. Thank you so much, Mr. Chairman.

And let me thank the witnesses for their patience. You have seen all of us run in and out of here, but I was able to hear all of your very excellent testimony.

Let me start out with you, thanking you, Mr. Castle, and apologizing. I am one of the people who is so disgusted by the amount of money we spend on the military, and yet when someone like you served, injured, it took 5 years to get your disability check. I am not proud of that as an American. I want to thank you for your service and am glad that you have, despite your wheelchair, landed on your feet to be able to do things for Paralyzed Veterans of America.

I want to thank Mr. Goss for doing the arithmetic here, because I was busy trying to use my little, you know, bachelor's degree to figure it out, because I was concerned about Ms. Brozyna's daughter, who was going to go from \$540 a month to \$3,300 a month, and then realizing that there would be an uptick of that prospectively in the future. And you pointed out it would be a pretty good deal for your daughter in the future to invest in Social Security.

Let me thank you, Ms. Altman, for your calm demeanor, always reassuring us that Social Security will be there for Ms. Brozyna's daughter, for our millennials.

I want to ask Ms. Zapote a question, because, Mr. Larson, my bill, provisions of my bill were, unfortunately, not incorporated in this excellent bill, but I did, in my legislation, allow a caretaker supplement, so that years in which a parent has a young child could count as a year of coverage for Social Security benefits. I also restored the student benefit, which had a disproportionate impact of helping low-income people, poor people. You know, and I love Social Security because, while it is not means tested, the slope of it

is such that it disproportionately benefits low-income people, people of color, et cetera.

So I just wanted you to kind of embellish in my few moments here on what difference you think having, you know, a minimum benefit but also that caretaker supplement and restoring maybe the student benefit would have on communities of color and on women, and anyone else who wants to weigh in. Ms. Altman, join in. Let's start with you, Ms. Zapote.

Ms. Zapote. Thank you, Congresswoman Moore.

So one of the things that I failed to mention when Congresswoman Sanchez also asked me a similar question was that, with the Social Security 2100 Act, I am very glad that there is going to be an increase in the minimum benefit as well as the benefit in general so that we won't have to readily use the income of our families to be able to supplement the income of our seniors.

But I do think that that supplemental caregiver credit is completely essential because we do need to ensure that folks that do take time off to take care of their family members because we want to do that, because that is in our nature to want to take care of our families, we need to ensure that those folks are also retiring with the maximum benefit that they can.

Secondly, with the benefit for children that may be disabled or that are beneficiaries, if their parents have passed away, it is completely essential. In 1983, when we did away with the timeline of having that benefit for students to be reduced from 22 years old to 18 years old, now we know that tuition has completely hiked up, that that help and benefit would completely, completely be able to help --

Ms. Moore. Ms. Altman, I mean, how dumb was that? My sister turned 18 in 1964, when she was 18, and didn't go to college right away. Ms. Altman, can you weigh in on my proposal?

Ms. Altman. The concept behind the student benefit is that, when a parent dies or becomes disabled, Social Security, which is all of us together, step in in that parental role. Now, most parents, if they can afford it, they help their children get higher education. And so, as we step in for Social Security, we should do exactly the same thing.

Ms. Moore. Thank you.

Mr. Castle.

Mr. Castle. And I would also like to point out very quickly that is a veterans' issue. My wife is my caregiver. My wife left her job of 15 years as a school teacher in the State of Alabama to become my full-time caregiver so I could return to work, so I could go back to school, so I could live a full and caring life.

That is something that happens in a significant number of cases for veterans, older veterans, younger veterans who are disabled, non-service-connected veterans, that their caregivers, their mothers, fathers, sisters, brothers, aunts, uncles, step out of the workforce to take care of them. So this is something that is a significant issue, not just to the general population but also veterans who deserve the ability to have their family members take care of them long term, but they also deserve the ability to collect on their Social Security benefit when the time comes.

Ms. Moore. And to stay at home.

Mr. Castle. And to stay at home and be taken care of, absolutely.

Ms. Moore. Thank you for your indulgence, Mr. Chairman.

I yield back.

Chairman Neal. I thank the gentlelady.

Let me recognize the gentleman from Michigan, Mr. Kildee, to inquire.

Mr. Kildee. Thank you, Mr. Chairman, for holding this hearing.

It was obviously a very important topic. Social Security is vital to security in our country. It is vital to economic security, and it is particularly vital in achieving what was its initial mission, and that is to reduce poverty among seniors in this country, but obviously it goes much beyond that.

Now, more than one in six Americans benefit directly from the program, including obviously retirees, but spouses and children, disabled workers. This is the most successful social insurance program in the history of the world, and it is something that we have an obligation. As I know the chairman and particularly Mr. Larson have said, we have a responsibility to make sure that we safeguard this program. So our work in trying to achieve that is necessary. It is not just a good idea to improve Social Security; it is an obligation that we have. And simply talking about the problem and not offering concrete solutions doesn't do anything to ensure that this program is going to be there when people need it.

There are lots of aspects of this proposal, Social Security 2100, that I support. I am a proud cosponsor of this bill. One of the areas that I would like to zero in on, you may have already touched on, but I would like you to address, particularly Mr. Goss, if you could address the issue of the changes in cost-of-living allowance. And, again, you may have touched on this, but for me, could you just address that a little more specifically in terms of what the differential would be between what the current calculation is based upon and what 2100 would have COLA based upon?

Mr. Goss. Absolutely. Thank you very much. I mean, initially when the cost-of-living adjustment automatic was developed, there was only one CPI index to choose from. It is what we now call the CPI index for urban wage earners and clerical workers. Since then, the BLS has developed several others, including the CPI-E, which is based on the purchasing patterns of people 62 and older, which is, coincidentally, the age

of our retirees. And the purchasing patterns and the nature of income for people 62 and over is probably not terribly dissimilar from most of the rest of our beneficiaries, disabled beneficiaries who are younger but nonetheless are generally not in any meaningful amount of work.

So, given that, obviously, this bill puts forth the possibility of using the Consumer Price Index, based on the elderly purchasing patterns, which, as I think a couple people have already noted, is weighted somewhat more heavily than for urban wage earners and clerical workers towards medical expenditures. And medical expenses, we all know too well, have tended to rise faster than prices of other goods and services, ergo the slightly faster rate of growth in CPI-E.

Mr. Kildee. So is it fair to say then, given the true market basket, if you would call it that, of products and services that a senior or a typical Social Security recipient is likely to require is such that if we don't make this change, the net effect, given that that market basket is fairly predictable, is even though a cost-of-living allowance would apply, the purchasing power of a senior, compounded over time particularly, actually goes down. So we are actually putting more financial stress on the very recipient that we intended this program to support by not aligning the cost-of-living allowance with the market basket of goods. It is a more predictable market basket for those recipients. Is that a fair way to characterize the change?

Mr. Goss. I would say that is correct, based on the market basket as determined by the BLS from their surveys of people in our economy.

Mr. Kildee. Thank you. And this just points out that what we have to do, even though this program obviously has been around for a long time, we have to continually look at the reality on the ground and make the necessary adjustments in order for the Social Security program to achieve its initial mission.

It is also worth pointing out that many of the criticisms that we have heard of Social Security 2100 or, as I often have it referred to, as the Kildee-Larson plan, but many of the criticisms of this initiative sound very similar to the initial criticisms that were offered when the program was seen by some as a radical departure from the structure of our economy.

This is the most important thing government has done. It is the most important thing that government has done, and we have an obligation to make sure that it continues to work. So I thank the witnesses for your testimony.

I yield back the balance of my time.

Chairman Neal. I thank the gentleman.

Let me recognize the gentleman from Texas, Mr. Arrington, to inquire.

Mr. Arrington. Thank you, Mr. Chairman, for holding this very important hearing on this incredibly important issue that I think we all agree needs to be addressed and sooner rather than later, or we are going to pay all the more and create all the more disruption and instability and uncertainty for our beloved seniors in this country.

I have got to start by, you know, my parents raised me to be honest, and I am going to say that, Chairman Larson, it takes a lot of courage to put out a piece of legislation to try to fix something so important. And it is a Herculean effort to get a bipartisan agreement on anything in this institution, but the seniors are counting on us to get there, and I believe you have been a good leader on this. And while I disagree with some of the fundamental provisions and principles in your bill, we need more courage and political will if we are going to hand this country better to our children and grandchildren than we found it, period, across the board. So thank you for your good leadership.

Now let me be critical of your bill. Now, look, I have a problem with the tax hike.

I mean, we have just seen this incredible response from our economy and the American people by providing the tax relief that they so desperately needed. People are living paycheck to paycheck, too many people. And when you have 8 out of 10 Americans that would really struggle if they had an emergency that would cost over \$500, that is hard to wrap your head around. And to think about a 20-percent increase on a very regressive, not the most regressive tax, on a payroll tax, I don't think that is the solution here.

Again, I appreciate the fact that at least Mr. Larson is trying to pay for something around here. God bless him for that. I just don't think this is the way to do it. And look, small businesses are the economic engine of our economy. I used to work with startup companies at Texas Tech in Lubbock, Texas. We called it Silicon Prairie. And we were trying to spin out all these tech companies from the university where I was vice chancellor. And these sole proprietorships had technologies to help us be more productive in agriculture, help our food supply, more efficient with our resources, including water, and medical devices, drug therapies.

And I can't imagine having a 20-percent increase in the payroll tax on the employer and a 20-percent on the employee. It is just -- it is too much. Fifty percent of these startups will never make it. And to clip their wings from the outset, well, it is just a nonstarter for me.

So the WEP is incredibly important to the folks in Texas and in my district, especially those ornery retired teachers that just show up at all my townhall meetings, like Joanne Snyder, who was at my townhall recently in Dimmitt, Texas. That is Castro County for anybody from Texas. And she said: I want the WEP fixed.

And I tried to blame it on the Democrats. And she said: No, no, no, it has been going on for 30 years.

And we have got to be able to take care to fix this low-hanging fruit and the inequity that still exists with folks who have income that was covered by the independent retirement system, like the teacher retirement system of Texas, and the income that was covered under Social Security.

Now, I got on that bill because -- I think it is the Brady bill, but it used to be the Neal-Brady, and I encouraged my chairman to get on that bill, because I think it is all the better with his name on it. And I am serious. This is a great opportunity for bipartisan problem-solving, and this is low-hanging fruit.

Mr. Goss, you are familiar with the WEP and the inequity. Is this a straightforward, you know, fix here? I mean, it is just a tweak to the formula so that we make sure the people that have put money into the system are getting the amount back that they are owed?

Mr. Goss. I would suggest that is a reasonable characterization. I am proud that our office has worked very closely with Mr. Brady and Mr. Neal and their staff on several versions of this approach. And there is a different formula that is being put forth for calculating windfall elimination as compared to what was put into law many, many years ago.

I think it is fair to characterize it as a more appropriate, more direct formula that really takes precisely into account the nature of the earnings for the covered and noncovered.

Mr. Arrington. I am out of time. I yield back.

Chairman Neal. I thank the gentleman. And Mr. Brady and I continue to converse about this, and we would like to find a path.

Mr. Goss, let me ask you, have you found a straight path forward with any of your work here in all the years you have been here?

Mr. Goss. I am sorry?

Chairman Neal. Have you found a straight path forward on any issue that you have worked on since you have been here?

Mr. Goss. A straight path forward?

Chairman Neal. Yes.

Mr. Goss. Typically not. I guess, not to be too much out of my realm, but it is one of the beauties of our society and of our government that we have at least two major parties to debate and discuss things and come to a conclusion that we can all best live with.

Chairman Neal. Exactly right.

The gentleman from Virginia, Mr. Beyer, is recognized to inquire.

Mr. Beyer. Mr. Chairman, thank you very much.

I would like to add my enormous admiration to Chairman Larson for fighting for this bill for so many years and Chairman Neal for bringing this up as a major important issue.

You know, we have \$22 trillion worth of debt, and I consider this a great moral dilemma. It is something I worry about. Every time I vote for a bill that is not paid for, it hurts. And it is only because no one in this institution seems to think there is a way forward on raising revenue. And what drives the debt is Medicare and Medicaid and Social Security. My friend from Arizona, Mr. Schweikert, talked about a grand theory, a unified theory. We have been looking for one in physics for 120 years unsuccessfully. We have an opportunity to address a third unsuccessfully. We have an opportunity to address a third of this mandatory spending in a responsible way, and we need to do it.

I know Mr. Goss has talked about a \$19 trillion increase in the fees, taxes coming out of it. And just the other half of that is that is \$19 trillion that doesn't come from

government and doesn't go to government. It is going right back into the economy to people who have a 100-percent propensity to spend. So it is going to go to those small businesses that need the purchasing.

I have four children. Three are millennials. None of them think Social Security will be there for them. Every time I talk to young people, I ask about Social Security, and they are all enormously skeptical. I am a father, so let me share what it is with my daughter. My youngest, 24 years old, makes \$40,000 a year. We keep hearing about a 20-percent increase. It is actually one-half of 1 percent increase per year for the next 24 years. And overall, the 1 percent, with a 7.65 base, means it is a 13-percent increase. So she will pay less than \$20 of this next year if this bill goes through and less than \$40 the year after that. This is, you know, two or three trips to Starbucks.

And what it is, it is not a tax. This is her investment in her future. This is her investment in her retirement. So all she is doing is paying it forward. And, as Mr. Goss has so greatly pointed out, based on her lifespan, she will make back a multiple of what she puts in when she is retired. So we need to take this as taking away.

And let me speak as a small business person. I am sorry Ms. Brozyna is gone, but, you know, I have been part of the family business -- I own half of it -- for 46 years, and I consider it a small business because until I ran for office, I still knew the name of everybody that worked there. And so I did the math. And based on our increase, when fully phased in, the increase in our payroll taxes as a percentage of our sales is 0.00056. You only do percentage points moves it over. That is 5 cents for every \$1,000 of sales, or if you want to say, not sales, but gross profit, 4 cents of every \$100 of gross profit will be the increase in our Social Security.

So, from a business perspective, whether you are medium size, small size, big size, it is trivial, especially when you figure that this is the insurance and the disability side

for -- that it is the safety net for our small business. And if we can't afford big picture health insurance or the like, we have it through the Social Security. So there is just so much that I think is really important about all this.

Mr. Castle just left, so maybe, Ms. Altman, if I could ask you about just -- I also have family members on SSDI. Can you talk about not just the old folks, but about the folks that are in the prime of life that are relying upon this?

Ms. Altman. Absolutely. Disability is something that can strike you, rich or poor. Anyone can walk into the street and have a disabling accident. Disability insurance is an extremely rare benefit in the private sector, but all of us are covered under Social Security's disability insurance. And the 2100 Act increases it, as it should. So those benefits will go up as well as the retirement benefits.

Mr. Beyer. And, Mr. Goss, I know you went to University of Virginia, so you are obviously very well educated. And you were talking about somebody that retires at 66 that may have 20 more years. In fact, what are you looking at in terms of the lifespan of children born today?

Mr. Goss. The lifespan of children born today, we are looking at being probably upwards of approaching around 80. And, of course, it is always tricky to look at the lifespan of people who are born today, because they have, unfortunately, the opportunity to die between now and age 66.

So it is really -- if we are thinking about the value of retirement benefits, it is better to look really at the expected average life expectancy for people who actually get to 66. One might say that, well, that doesn't really tell the whole picture, because how about people who die along the way? That is part of the whole package deal of Social Security. People who die earlier have generally preceded that death by a period of disability in which they received benefits, and many, many of them have survivors that

follow after them will get benefits too. So it really is a comprehensive plan that covers essentially everybody.

Mr. Beyer. Which is very impressive. There are more than 2 million Americans now over the age of 90, and that is the fastest growing part of our population.

I yield back.

Chairman Neal. Let me recognize the gentleman from Pennsylvania, Mr. Evans, to inquire.

Mr. Evans. Thank you, Mr. Chairman, and thank you for your leadership for having this hearing, and I thank all our witnesses. I would also like to applaud my colleague from the great State of Connecticut, John Larson, for working hard in putting this legislation together so that people who earn their Social Security benefits are able to retire with the safety and security that they were promised.

The district that I am from in the city of Philadelphia has about -- thank you, Ms. Altman, for providing this -- 124,000 people -- 686 -- receive a Social Security benefit, \$1.9 million, so directly in this particular district, the Third District in the city of Philadelphia. This district, which has a poverty rate of about 26 percent, Social Security is what I would call a poverty-buster, as it is considered by the Nation's number one antipoverty program.

This bill that Mr. Larson is describing, as laid out and shown to leadership, would expand Social Security's ability to keep people out of poverty by establishing a minimum benefit for full career workers.

Ms. Altman, in your testimony, you stated that over 22 million Americans, including over 1 million children, have income above poverty due to Social Security alone. Do you see the new special minimal benefit included in this bill as an effective way to keep even more people from getting in poverty?

Ms. Altman. Absolutely. There was a special minimum that is in the law, but it

has really eroded in value. This will say that people who have worked and contributed their entire lives will get 125 percent of poverty as a minimum benefit.

Mr. Evans. And what would that -- talk a little bit to what you think, what would that mean from an economic standpoint in the community?

Ms. Altman. Social Security really strengthens the economy. We have talked about -- I mean, for a small business or any business to survive, it has to have consumers. And the people who receive Social Security benefits, on average, have the lowest income in the country. Even high income, when we talk about high income in the income tax realm, we talk about people with \$250,000 or more. High income within the senior population are people with \$60,000 or \$70,000.

So those are people, as soon as they get that money, they are spending it in their communities. The AARP has done a study that shows for every dollar that is paid out as a Social Security benefit generates \$2 in economic activity. So that is a very high multiplier.

Mr. Evans. From some of the comments you have heard today, it appears -- and I won't put words in anyone's mouth, but can you please explain why it is so critical that we don't settle for cuts to benefits as a means of being able to keep the program running?

Ms. Altman. Absolutely. And let me be very clear, because I am concerned a bit that some of the conversation in this hearing has given a mixed -- a wrong impression. Social Security is extremely strong. It is 100 percent funded for the next 16 years, 93 percent funded for the next 25 years.

You just were talking about the multi-employer plans, and the important legislation you just passed to address that. Congress put in a test for multi-employer plans, green light, yellow light, red light, whether they are healthy. Under that exact

test, Social Security is in the green zone.

So, when Franklin Roosevelt enacted Social Security, he called it a cornerstone on which to build. Obviously, whenever you are projecting out 75 years, sometimes you are going to find unintended surpluses, sometimes unintended deficits. What you are doing here I think is maintaining the program. Social Security is a solution; it is not a problem. And that is why every generation before has increased benefits and paid for it in exactly the way that the 2100 Act does. And you actually, as I said in my statement, are increasing the premiums by, really, 10 times lower than the average increase from 1935 to 1990.

Mr. Evans. The only thing last thing I thought you were going to say is that John Larson is our 21st century version of Franklin Delano Roosevelt. I thought you were going to add that.

But I yield back to the chair. I yield back. Thank you.

Chairman Neal. I thank the gentleman.

With that, let me recognize the gentleman from New York, Mr. Reed, to inquire.

Mr. Reed. Thank you, Mr. Chairman. And I just want to start my commentary today as I sat here and I wanted to listen to all the members. And we have had the benefit of the testimony of this panel before in our subcommittee hearing room, and we appreciate the witnesses' input on this issue.

I will start my comments by saying to the Chairman, Chairman Larson, we do respect on this side of the aisle, as you can tell from the commentary in the record today, the leadership that you have demonstrated on putting this bill into the hopper. That is what true statesmanship is. And John Larson is a statesman. And I just want you to know we have the highest regard for you as we go through this process of resolving Social Security.

Resolving Social Security is something that is personal to me. This panel has heard my story. I will reiterate it, the short version of it today. I have 11 older brothers and sisters: 8 sisters, 3 brothers. And my father passed when I was 2. And so there stood my mother, who raised the 12 of us all by herself as a widow. And the thing that got us through as a family was Social Security.

And so it is personal to me, as well as many Members as well as millions of Americans across the country, to fix this problem for the generations to come. And we have developed our principles, and you know our principles. You know, that we are going to try to solve this problem by relying on long-term economic growth and reward work, not penalize it.

And when we talk about economic growth, that to us, as Republicans, a key of the revenue component of this equation. And not only is it growing the economy and getting workers into the American economy, as my colleague from Wisconsin indicated, immigration reform is a huge opportunity for us to take care of Social Security, because that will bring in hundreds of thousands of new workers into our system that get to that equation of having more workers in the system to take care of the retirees and the beneficiaries of the program.

We are also committed to equal treatment for public service. That is the Windfall Elimination Provision. And I know that Chairman Neal and Chairman Brady -- or Ranking Member -- Chairman Brady to me always -- are committed to fixing that problem as well many of our colleagues are.

We want to act now to protect future generations' benefits because we recognize waiting takes tools out of the toolbox to fix this that make it more draconian, more difficult to do. And we want to protect the most vulnerable through focused reforms, those widows and others that need the system more than others, based on their way of

life. That acronym is LEAP, that is, we are going to leap together when we ultimately solve this problem, Republicans and Democrats. And truly, hopefully, the Reed-Larson bill that will go to the President's desk for signature.

But at this point in time, the real issue is we need to fight what is one of the biggest obstacles we have. And the biggest obstacles -- and to my colleague Mr. Larson, I do this with the utmost respect, because I have seen the Starbucks cup of coffee prop, and I am introducing a new prop today that ultimately we are going to bridge the difference with, and that is our coffee cup mantra.

You know, my colleague on the other side, Mr. Larson, and who I love and has become a friend, has a cup of coffee that says this is just a cup of coffee. It is a small 50-cents-a-week type tax. Well, as we see it on the Republican side, this is a large tax increase. This is the more size cup of coffee that we got to fight in regards to the tax increases we are looking at with this payroll tax.

And so this prop will stand before us, not as a symbol of division, but as a symbol of a need to come together. And we will fight these tax increases on our side, but at the end of the day, I am confident that we are going to bridge this difference.

And the message that I want to send to all of America today from this committee is that, through honest disagreement but respect and friendship such as we have developed, John, you and I, we will lead this committee, as well as Chairman Larson and Chairman Neal, and we will lead this Congress as one committee that still has that era of bipartisanship, that era of statesmanship, that I can't think of a better chairman than Chairman Neal, who also articulates that.

And with a sensitive issue as Social Security, this will be one of those things we as Members of Congress will be able to look back on and say: We stood up in our moment of time to solve a generational problem that needs to be fixed to protect our fellow

American citizens.

And, with that, I yield back.

Chairman Neal. I thank the gentleman.

With that, let me recognize the gentleman from Illinois, Mr. Schneider, to inquire.

Mr. Schneider. Thank you, Mr. Chairman.

And like my colleagues, I am grateful that we are having this important discussion today. Social Security, as has been said, is, if not the, one of the greatest antipoverty programs in our Nation. And as my colleague from New York pointed out, for all of us, I think, we have our personal stories.

For me, it is very personal. My grandparents depended on Social Security. My grandmother, Molly, could not have survived without it. She created a big family. She was one of six kids. She had six children. All of us had to, as a family, take care of each other. But her children, my aunts and uncles could not have survived, could not survive today without Social Security.

Her youngest son, my Uncle Steven, was diagnosed with Parkinson's at age 37. He is 75 today. Social Security disability has allowed him to provide for his family. My cousins were able to go to college to grow into the adults that they are because of the support that Social Security provided.

My colleague from Texas, Mr. Arrington, noted that the seniors are counting on us. I want to take that a step further. Yes, indeed, the seniors are counting on us. The baby boomers are counting on us, but the Gen Xers are also counting on us, and my kids' generation, the millennials, are counting on us. The very idea of working for a lifetime and having the confidence of a future secure and dignified retirement is what we are talking about here, and every generation is counting on us to figure that out.

But I also want to emphasize that our small businesses are also counting on us.

Social Security is a safety net for small business. It provides insurance and retirement benefits so they can operate their business. Many entrepreneurs could not afford the insurance Social Security provides in the market. Social Security allows entrepreneurs to take risks, to pursue their dreams, to grow our economy and to create jobs.

Let me go back for a second to the generations. This is a watershed year. This year there are now more millennials than there are baby boomers. Ms. Brozyna, like you, I am a parent to millennials. My boys are 24 and 26, early stages of their careers. I hope and I am actually confident that my wife and I have done I think a pretty good job teaching them the values that will carry them forward in life. Top among those is the value of taking responsibility for themselves, for their personal decisions, but also for their future. And that includes planning for retirement.

So, Ms. Altman, I will start with you. What percent of workers today have access, if you know this, to a defined benefit or defined contribution plan?

Ms. Altman. Well, to a defined benefit plan, it has fallen to about 13 percent in the private sector. A larger percentage have defined contribution plans, although the amounts in them are pitifully small and will not support anyone but the very wealthiest for more than a year or two in retirement.

Mr. Schneider. So Social Security is part of that overall package. Again, this idea of teaching our kids this self-reliance and personal responsibility, contributing into their Social Security and the part that their employers get, that is part of the package, the compensation as you said, workers' compensation, that allows them to have the confidence of a secure retirement, correct?

Ms. Altman. That is right. The 2100 Act is really most beneficial to millennials and younger, because they are the ones that are going to rely on Social Security the most, and it expands their benefits.

RPTR FORADORI

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[1:05 p.m.]

Mr. Schneider. So as we think about these millennials, now this biggest generation alive today, they start retiring in about 30 years. And I will start with Mr. Goss, but anyone can answer this. If we don't do anything, if this committee falls short of making the decisions to secure Social Security, what is going to happen to their retirement, compared to what their parents, the baby boomers, are receiving today?

Mr. Goss. Well, if you look at the level of benefits that their parents are receiving today compared to what their prior earnings were, and look at that sort of ratio, we call it a replacement rate, what will happen to the millennials 30 years from now when they retire if we don't do something, and the scheduled benefits are dropped by 20 to 25 percent, they will have 20 to 25 percent less purchasing power relative to what they were used to in their working years as compared with where their parents are now.

Mr. Schneider. So I know others have said that we are putting this burden by the conversation we are having, and some of the ideas we are batting around would put a great burden on young millennials. Inaction, it seems to me, is going to put a great burden on young millennials. Is that a fair statement?

Mr. Goss. I think so. I guess a way of characterizing it, perhaps, is, you know, you get what you pay for. And if we do not increase payroll taxes, then we will have to receiving -- you know, 25 to 33 percent less benefits in the future than have been scheduled in the law. So if you want to maintain the scheduled benefits at the levels our American people have gotten used to, we simply are going to have to put more money into the payroll tax structure one way or the other.

Mr. Schneider. I am out of time, but as a Navy dad, Mr. Castle, I just want to say

to you, thank you for your service. And for you and all who put a uniform on in service to our Nation, we need to make sure we get this taken care of.

I yield back.

Chairman Neal. I thank the gentleman.

Votes have been called, so we would like to wrap up here for the witnesses and for the members as they go to the floor. So, with that, let me recognize the gentleman from New York, Mr. Suozzi, to inquire.

Mr. Suozzi. Thank you, Mr. Chairman. And thank you for holding this hearing and continue to hold hearings on very important topics that we need to discuss. And it is really great leadership on your part. And I want to echo what Mr. Reed said, that you have exhibited this desire to try and encourage bipartisanship, and it is really wonderful that you are doing it.

And I want to thank my colleague, Mr. Larson, for his leadership on this issue, laying down a marker on a very tough issue.

I want to thank the witnesses for being here for all this time. We appreciate it very much. And thank you again, Mr. Castle, for your service. I am glad that you brought that up, Brad. Thank you to all of you.

So let me start with you, Ms. Altman. What is the easy answer to fix, make Social Security better? What is the easy thing, with no political risk, that will solve the problems of Social Security?

Ms. Altman. Well, what the overwhelming majority of Americans want is something along the lines of the 2100 Act.

Mr. Suozzi. So this is the easy fix, you think? You think there is no political risk to Mr. Larson's proposal?

Ms. Altman. Well, from the debate, obviously, today, there is going to be a

debate about it, but I do think the American people overwhelmingly want to see Social Security -- no cuts is every poll across the --

Mr. Suozzi. Mr. Goss, what do you think is the easy fix here?

Mr. Goss. I hate to say it, but if there were truly an easy fix, I think you all would already have enacted it quite some time ago.

Mr. Suozzi. You think the idea of more economic growth is a potential way to solve this problem? You think there is any sign of that happening soon, that we are going to have enough economic growth to solve this problem?

Mr. Goss. More economic growth will certainly be a help, but to close the gap that we have facing us is highly unlikely.

Mr. Suozzi. So, you know, I am an accountant by training. I became a CPA. I am an attorney also. But, you know, you either have to raise revenues or you have to decrease expenses. And you can either decrease expenses by cutting benefits or delaying the time that the people can receive their benefits. So none of those are easy answers. Those are all -- and everyone who is up here -- every single Member of Congress that is up here, I am relatively sure had townhall meetings or debates when they were running for office, and Social Security is brought up. AARP probably sponsored a debate in their district. And we said, we are going to work on it, we are going to solve this problem. We are going to look at these different things. I am not sure, but I am going to work on it. I am going to try to work with my colleagues.

And everybody here said that today. And I want to encourage my colleague, Mr. Reed, and Mr. Kelly and Mr. Rice and Mr. Schweikert, and I wish Jodey Arrington was here as well, they are all very bright, passionate people that care about this issue, to work on this issue with us. This is what we are supposed to do, regular order. We are having a hearing, we are bringing this issue up. We have got a long time before a markup on a

bill will happen. Let's not say, oh, we are rushing it through later on. Let's take advantage of this time and let's work together, and let's actually come up with a solution to Social Security.

But you know what? It is not going to happen unless we work on it together, because no matter what, people are going to have to take a political hit. You are either going to get hit because you want to try and increase the expense or you are going to get a hit because you want to decrease expenses, because those are really the only two real viable things.

And we can consider some of the things that Mr. Reed has talked about, what we can do to encourage economic growth, what we can do to eliminate windfalls for people, what we can do to solve the immigration problem. But the reality is we either have got to increase the revenues or decrease the expenses. That is hard to do. But we are all committed. We all love America. We all love senior citizens. We have all been on the campaign trail. And since Social Security is one of the most important benefits in the entire United States of America, and we need to fix it. And Mr. Kelly said it more passionately than anybody, he is one of the best speakers here, he always says it very passionately. So we have all done that.

And we all talk about how complex it is. Mr. Schweikert always talks about how complex it is, the numbers and the demographics, and he is right. He is not wrong. He is right. Let's do it. It is going to be quite some time before the actual markup comes. It is certainly not going to happen for the next 30 days, maybe it will be 60 days. I don't know when the actual markup will be. But let's take advantage of this time and not run into what happens every single time on every single issue. And people say, oh, we don't have enough time. This was forced upon us. Let's sit down and work.

Mr. Larson, would you be willing to meet with your colleagues to discuss solutions

to this problem?

Mr. Larson. All the time.

Mr. Suozzi. Open-door policy. This is the easiest guy to talk to in the entire United States Congress, is John Larson. You know how much time and effort he has put into getting us to this point here today? He has put years of effort, building support, looking at the numbers, trying to make up a plan that will find the softest edges on a difficult problem, and building a constituency of people throughout this country to support this idea.

It is hard work. It is difficult to do. We have the time right now to do it before there is a markup to try and give written ideas, as Mr. Larson has suggested. He said he wants written plans, give me some ideas as to what you want to suggest is better. Write it down, share it with him. And let's work on it together.

I yield back.

Chairman Neal. I thank the gentleman.

Let me recognize the gentlelady from California, Ms. Chu, to inquire.

Ms. Chu. Well, I am so thankful that we are having this hearing today. We need to ensure that our Social Security system is as strong as ever, and the American people are counting on us. So that is why I support this bill so strongly.

And I was also pleased to hear Chairman Neal say that he is working on a bipartisan solution to something that is a sore spot in California, and that is the problem with the windfall elimination program and the government pension offset.

Our public employees should not be penalized because they have a separate retirement system but then also paid into Social Security. But right now, they don't get their full benefits. So we need to fix this problem.

Ms. Altman, I was so thrilled to see that you had an op-ed in The Wall Street

Journal that states that new immigrants can bolster the Social Security system. And I would like to enter this article in the record. Well --

And so let me say that what I found so interesting about your article is that immigration policy could be part of the solution as far as Social Security.

Ms. Altman. Absolutely.

Ms. Chu. That if comprehensive immigration reform had passed in 2013, the trust fund solvency would have been extended by 2 years and the reserves would have increased by \$284 billion over 10 years. So can you expand on how contributions by immigrants can benefit our country's Social Security system?

Ms. Altman. Absolutely. And I would like to -- it actually leads me into a point -- a larger point, and that is, the decision was made to current fund Social Security, which was the way a lot of other pension plans were done prior to ERISA, but it works for the Federal Government. So what that means is the current workers are paying for current beneficiaries, and then when they receive benefits, those who are then current workers will pay.

It is a perfectly -- many advisory councils looked at it. You could advance fund. You could current fund. It is a very responsible way to fund any kind of pension system.

This one is current funded, which means that you have to have a large enough workforce. When we have -- as Mr. Goss said, the reason our population is aging is not that we are all living so much longer, it is that we are having fewer children. So the proportion of older to younger has shifted.

Now, there is an obvious solution. We could, you know, have a handmaids tale, and we all, all the women, be forced to have more babies, or we could open our borders to people who are going to be responsible and build our economy. And so immigration is really not any different from if all of us were having larger families.

Ms. Chu. Thank you for that.

And I would also like to ask you to address another issue, and that is pertaining to the elderly Asian American and Pacific Islander population. I am chair of the Congressional Asian Pacific Caucus, and I often hear about this model minority myth that Asian-Pacific Islanders are more financially secure than the U.S. population.

But in reality, what we found is that the poverty rate for Asian American seniors increased by 40 percent between 2009 and 2014, and 191 percent for Pacific Islanders; that Asian Americans are also less likely to receive pensions from their employers, and 53 percent rely on Social Security for almost all their income.

So, Ms. Altman, can you explain how the Social Security 2100 Act would bolster economic stability for older Asian Americans?

Ms. Altman. Absolutely. It does so in a number of ways. First, it has an across the board benefit increase, but it is an across the board increase that is weighted towards those of lower income. So it benefits all people of color, Pacific Islanders, Asians, Hispanics, African Americans. In addition, it updates the special minimum, the floor below which you cannot fall --

Ms. Chu. Uh-huh.

Ms. Altman. -- to 125 percent of poverty for long-term workers. Because, again, the groups you are talking about disproportionately make up the poor among seniors. So it has that very big benefit. And for those who are fortunate to live very long lives, it has the CPI-E, a cost-of-living adjustment. And, most importantly, I think, and this is the point Mr. Goss has made several times, it makes sure that all our benefits can be paid in full and on time through the 21st century and beyond.

Ms. Chu. Thank you. I yield back.

Chairman Neal. If we can get this accomplished, because we are going into

executive session with the committee after we come back from the floor, and I don't think it is reasonable to ask the witnesses to hang around for maybe up to 2 hours. So Mr. Panetta is recognized.

Mr. Panetta. Understood. Thank you, Mr. Chairman. Appreciate that. And, obviously, thanks to all the witnesses who are here enduring this time, and also your preparation to be here.

And as one veteran to the other, thank you for your service too, Mr. Castle.

Look, I agree with my friend Tom Suozzi, not just because he is my roommate because he is Italian, but because he is right when it comes down to the fact of, you know, there are those that govern by leadership and there are those that govern by crisis. And, unfortunately, I think what the American public has seen is a government that is governing by crisis.

And I have to say, not to -- yes, to jump on the wagon, but I think what you see here in the 2100 bill is that you have seen John Larson govern by leadership in what he has put forward. And the reason is, is because we don't want to wait for that crisis in 15, 16 years when it comes to our Social Security. So we want to take care of this now and we want to do something about it.

And so, obviously, I commend Mr. Larson, I commend the chairman, and I commend this committee for actually trying to do something to lead, especially when it comes to this important issue of Social Security.

It is very important for my district on the central coast of California. We have 113,000 people who receive Social Security each month. This is especially true for the Latino community in my district, who already see a lower than average annual payment. And without Social Security, I think clearly the Latino poverty rate would skyrocket from 18 percent to just over 50 percent.

So, Ms. Zapote, thank you for your testimony, but can you talk to me about any other retirement options besides Social Security that the Latino community relies on?

Ms. Zapote. To be honest, Social Security is the sole retirement security that Latino members have in this country. Unfortunately, our community is overrepresented in low-income jobs. We are overrepresented in being overemployed, working two or more jobs and still not making enough money.

And so it really just goes to show how much we rely on Social Security and how much we need to ensure that we keep this program so strong so that our community can stay above the poverty level.

Mr. Panetta. And can you, if you can, go into detail as much as you can in regards to how the Social Security 2100 Act would help the Latino community?

Ms. Zapote. Yes. First and foremost, one, by expanding benefits, giving more money to folks that are retirement beneficiaries. That would 100 percent be able to help these communities. Our families live in intergenerational homes, so a lot of the money that comes in from Social Security is also helping to pay kids going to school, backpacks, et cetera. Unfortunately, because we don't have that generational wealth, because it was, you know, pulled under the rug from us back in 2008, we are having to slowly rely on Social Security.

But if we do have the Social Security 2100 Act, hopefully we will be able to continue to grow our wealth within our communities. And at the end of the day, that is really what we are striving for, not necessarily relying on Social Security, but wanting to strive more and create that wealth for our communities.

Mr. Panetta. And based on the timing, I am going to end with that. I yield back my time.

Chairman Neal. I thank the gentleman.

Let me recognize the gentleman from Nevada, Mr. Horsford, to inquire.

Mr. Horsford. Thank you, Mr. Chairman. I will be brief.

I first want to thank you, Mr. Chairman, for scheduling this hearing, and my good friend, Chairman Larson, the chairman of the subcommittee, for introducing this critically important legislation. I want to publicly thank Chairman Larson for taking the time and effort out of his schedule to come to my district to join me in meeting with hundreds of my constituents at one of my local senior centers in north Las Vegas.

Chairman Larson is so committed and passionate to this issue, it is not just about his leadership in bringing this legislation; he literally has traveled this country trying to educate the public on the need to fully secure and protect Social Security for current and future generations. So I just wanted to publicly thank him for his work.

In my district, Nevada's Fourth District, we have more than 136,000 people who depend on Social Security. Approximately 100,000 of those are retired age seniors. Of these retired seniors, 21 percent of married couples and about 44 percent of unmarried persons rely on Social Security for 90 percent or more of their income, living from one Social Security check to the next.

And although average Social Security benefits are modest for many of my constituents, especially women, disabled workers, and people of color, they are a lifeline. Without it, they simply would not be able to survive. For those Nevadans who depend on Social Security as their only source of income, their benefits fall short of \$10,000 a year.

So I want to just share a short story of a constituent living on these fixed incomes, and hopefully it can help bring life to the people that we are here to advocate for.

Mrs. Estrada lives in Las Vegas, she has a total income of \$932 a month, receiving \$700 a month from Social Security, her primary source of income. Recently, Mrs.

Estrada's rent increased to \$810, a number she cannot afford. While searching for new rentals, she has been consistently denied because she cannot show proof of her ability to pay both rent and a security deposit.

She applied for public housing, but is currently on the waiting list and has no certainty as to how long she will have to wait. Average rent in Las Vegas now exceeds \$1,000. And only 8 percent of rent available in Las Vegas costs less than \$700, with most of that number exceeding \$500 in rent. Mrs. Estrada has not found anything cheaper.

With your average renter requiring a month's rent and an equal amount in security deposit to qualify for renting, seniors in southern Nevada need at least \$1,000 in the bank to qualify. At \$932 a month in Social Security benefits and income, Mrs. Estrada does not meet that threshold.

So this is the reality. On top of that are increased expenses for medical, food, phone bills, transportation, utilities. How are individuals supposed to make it?

So, Ms. Zapote, you are here today to talk about the impact of Social Security solvency on communities of color, particularly the Latino community. In my district, the Latino community makes up 30 percent of the population or roughly 230,000 people, many of whom depend on their Social Security.

Can you talk about how Social Security solvency is an issue of racial injustice and what we should be doing to address that in today's policy?

Ms. Zapote. Yes. Like I mentioned earlier with Congressman Panetta, our community, unfortunately, is overrepresented in low-income jobs, and unfortunately, these jobs aren't paying enough to be able to cover the utilities and the other things that all Americans have to pay to sustainably live their lives in the United States.

Through the Social Security 2100 Act, being able to have that additional access to

more benefits, additional money, also including that minimum benefit wage, would be completely, completely, and absolutely life-changing for some of these folks that are living under poverty, even when receiving Social Security --

Chairman Neal. I thank the gentleman.

Mr. Larson is recognized.

Mr. Larson. Thank you, Mr. Chairman. And thank you for holding this hearing.

First and foremost, thank our witnesses. I always find these hearings to be most instructive, and it is great when our members speak less and get to hear from you more, but that doesn't always -- it always doesn't happen that way, and thank you so much.

And I also want to thank my colleagues on the other side of the aisle, especially the subcommittee members who we have worked with. And really, the praise belongs to the people in the United States Congress, of which there are more than 211 original cosponsors of a bill. That is pretty rare. And more than 222 said that they will vote for the bill. So that bill in the House of Representatives will become law. I commend the chairman. And we look forward to the markup.

And we sincerely hope that we do, because we have worked very good -- and I should add, you heard the story, Rich Neal is a product of Social Security. Tom Reed is a product of Social Security. Tom Rice is a product of Social Security. I think you heard today the willingness of everybody to understand that we have to pull together. And let's not forget the guy down on Pennsylvania Avenue.

By the way, my fellow colleagues on the other side, he had the temerity in a debate to stand up to 16 other Republicans, and say, no, it is not an entitlement, it is an earned benefit, and I am not going to cut it. So when he says he is not going to cut it, as all of our witnesses know, for every year you raise the age, it is a 7 percent cut.

Ninety percent of the benefits of Social Security go to people under \$50,000 a

year. If you can look them in the eye and tell them, amiss what is going on in this economy, that they have to take a 7 percent cut, while we are giving 1 percent of the Nation an 83 percent tax cut that is unpaid for, when poll after poll shows that every single citizen says, yes, we will pay more so that we are given the certainty and the guarantee that Social Security brings us. And, yes, your daughter as well. And as you heard today from the actuary, yes, they will pay more, but they will get far more for that dollar.

The difference is in 2008, when the economy crashed and people's 401(k)'s became 101(k)'s, Social Security never missed a payment. That is because it is the full faith and credit of the American people. And that is why it is going to take all of us pulling together, and saying, okay, we recognize it is pretty simple. Mr. Suozzi laid it out. Either you are going to cut benefits or you are going to have increase revenues.

So we try to increase the revenues over time, over a 25-year period, so they would ease it. Had they done this back in 1983, we wouldn't even be having this conversation about the Nation's number one insurance plan, the number one antipoverty plan, and the number one increasing civil rights issue of our century for both women of color, women in general, Black males, and also the economic development issue of the century as well.

When you look, as Ms. Altman went over, what every single district -- and there was a packet passed out to everyone today with how many recipients of Social Security, and there is roughly about 120,000 in every district, some more than others, Mr. Buchanan having the most, on the Ways and Means Committee. But also, it is about a billion dollars for every district that is coming in. You cannot cut that by seven. Or if we do nothing, and doing nothing is a plan, end up with 20 to 25 percent cuts in our economy, and most importantly, to our citizens.

And with that, I thank the witnesses again.

I thank the chairman, and I yield back.

Chairman Neal. Thank you. Thanks, Mr. Larson.

Mrs. Murphy is recognized to inquire.

Mr. Larson. Oh, I wanted to submit for the record also the growing list of groups that are supporting 2100, from Social Security Works to the AFL-CIO, the National Organization of Women, et al.

Chairman Neal. Without objection.

[\[The information follows:\]](#)

Chairman Neal. Mrs. Murphy.

Mrs. Murphy. Thank you, Mr. Chairman. And thank you to the witnesses for their testimony.

Social Security is the bedrock of our retirement system. It is one of the most successful government programs of all time, helping to keep millions of seniors out of poverty. And I think it is important to remember that Social Security is not an entitlement, it is a benefit that seniors have paid into and earned after a lifetime of work.

There are 4.6 million people in Florida, including 125,000 people in my Orlando area district who rely in whole or in part on their modest Social Security benefits in order to meet their needs during retirement. And while these benefits are critical, they haven't kept pace with the rising cost of living that many retirees face.

There is also a looming crisis for Social Security. The latest trustees report projects that the programs reserves will be depleted by 2035, that is just 16 years from now. And if no action is taken before then, benefits would automatically be reduced. Clearly, doing nothing is not an option. And rather than waiting for the looming crisis to become an imminent crisis, as Congress often does, Chairman Larson here has worked hard to craft a serious and comprehensive bill that would achieve sustainable solvency for the Social Security trust fund.

And while I do have some reservations about this bill, I applaud Chairman Larson on his bold leadership. And as we move forward in this process, we must do everything we can to keep the promise of Social Security, and that is, if you work hard all of your life, you can retire with dignity. And with that goal in mind, I have four principles.

First, I think we should strengthen benefits, not cut them, for retirees as the cost of living in places like Florida continues to rise, and these benefit formulas should more

accurately reflect seniors' spending habits.

Second, I think we should ensure everyone pays their fair share into Social Security trust fund without placing additional burdens on already struggling lower- and middle-class families.

And, third, we must protect the Social Security trust fund from being raided by Congress to pay for other programs.

And, finally, any path forward on Social Security must be bipartisan, as we have got to stop treating Social Security like a political football. Our seniors deserve better and the American people deserve better.

Mr. Larson deserves tremendous credit, and with his bill he has entered the proverbial arena. Meanwhile, the other side of the aisle is still sitting in the stands, offering politically based critiques but no substantive solutions. And if we are going to make progress here, this will have to change.

And I look forward to working with Chairman Larson and the rest of the committee to find a solution to this impending crisis.

Thank you, and I yield back.

Chairman Neal. I thank the gentlelady.

I would like to thank the witnesses for their testimony. Please be advised that members have 2 weeks to submit written questions to be answered later in writing. Those questions and your answers will be made part of the formal hearing record.

With that, the committee stands adjourned.

[Whereupon, at 1:34 p.m., the committee was adjourned.]

Questions for the Record follow:

[Rep. Larson – Stephen C. Goss Question for the Record](#)

[Rep. Larson – Nancy J. Altman Question for the Record](#)

Submissions for the Record follow:

[Fiscal Equity Center, Submission](#)

[Maria Pontones Bonefant, Submission](#)

[NARFE, Submission](#)

[NCPSSM, Max Richtman, Statement](#)

[Nicole LeBlanc, Submission](#)

[The Heritage Foundation, Submission](#)

Rep. Larson Submissions:

- [AARP Statement on Social Security’s Impact on the Economy](#)
- [AFGE Statement on the Social Security 2100 Act](#)
- [CBPP Article: “6 Things Millennials Should Know About Social Security”](#)
- [CBPP Article: “Social Security: A Vital Protection for African American People of All Ages”](#)
- [CBPP Article: “Social Security Lifts More Americans Above Poverty Than Any Other Program”](#)
- [Office of Rep. Larson Document: Groups Supporting the Social Security 2100 Act](#)
- [IFPTE Statement on the Social Security 2100 Act](#)
- [Justice in Aging Statement on the Social Security 2100 Act](#)
- [Max Richtman Article: “We Must Fight to Preserve Social Security for Millennials”](#)

- [NCPSSM Endorsement of the Social Security 2100 Act](#)
 - [NOW Statement on the Social Security 2100 Act](#)
 - [New York Times Article: “Social Security Faces a Shortfall. Your Future May Rest on Demanding a Fix”](#)
 - [NASI Polling Data](#)
 - [PVA Statement on the Social Security 2100 Act](#)
 - [Senior Citizens League Statement on the Social Security 2100 Act](#)
 - [Social Security Works Statement on the Social Security 2100 Act](#)
 - [Office of Rep. Larson Document: Summary of Social Security Polling](#)
 - [Office of Rep. Larson Document: Summary of Social Security Polling](#)
- [\(June\)](#)
- [The American Prospect Article: “Boomers and Millennials Unite”](#)
 - [The Arc of the United States Statement on the Social Security 2100 Act](#)
 - [Federal Reserve Analysis: “A Wealthless Recovery”](#)
 - [Social Security Spotlight Analysis: “Social Security: The Nation’s Biggest \(Hidden\) Economic Stimulus”](#)