

**Hearing on The Fierce Urgency of Now –
Social Security 2100: A Sacred Trust**

HEARING

BEFORE THE
SUBCOMMITTEE ON SOCIAL SECURITY
OF THE
COMMITTEE ON WAYS AND MEANS
U.S. HOUSE OF REPRESENTATIVES
ONE HUNDRED SEVENTEETH CONGRESS
FIRST SESSION

Tuesday, December 7, 2021

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Witnesses:

[Robert Roach, Jr.](#), President, Alliance for Retired Americans

[Nancy Altman](#), President, Social Security Works

[Shaun Castle](#), Deputy Executive Director, Paralyzed Veterans of America

[Yanira Cruz](#), President and CEO, National Hispanic Council on Aging

[Andrew Biggs](#), Senior Fellow, American Enterprise Institute

[Elizabeth \(Bette\) Marafino](#), President, Connecticut Alliance for Retired Americans

[Amy Matsui](#), Director of Income Security and Senior Counsel, National Women's Law Center

[Rachel Greszler](#), Research Fellow in Economics, Budget and Entitlements, The Heritage Foundation

[Max Richtman](#), President and CEO, National Committee to Preserve Social Security and Medicare



HOUSE COMMITTEE ON WAYS & MEANS
CHAIRMAN RICHARD E. NEAL

ADVISORY

FROM THE COMMITTEE ON WAYS AND MEANS SUBCOMMITTEE ON SOCIAL SECURITY

FOR IMMEDIATE RELEASE
November 30, 2021
No. SS-2

CONTACT: (202) 225-3625

Chair Larson announces a Social Security Subcommittee hearing on “The Fierce Urgency of Now – Social Security 2100: A Sacred Trust”

House Ways and Means Social Security Subcommittee Chair John B. Larson announced today that the Subcommittee will conduct a hearing on “The Fierce Urgency of Now – Social Security 2100: A Sacred Trust.” The hearing is scheduled for Tuesday, December 7 at 1:00 PM EST in 1100 Longworth House Office Building in addition to being accessible via CISCO Webex.

Members will be provided with instructions on how to participate via the Cisco Webex platform in advance of the hearing. Members of the public may view the hearing via live webcast available at www.waysandmeans.house.gov (in-person attendance in room 1100 is not permitted for the general public under current COVID-19 safety protocols). The webcast will not be available until the hearing starts.

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 can do so here: WMdem.submission@mail.house.gov.

Please ATTACH your submission as a PDF in compliance with the formatting requirements listed below **by the close of business on Tuesday, December 21, 2021.**

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 PDF 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 <https://waysandmeans.house.gov/>

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The subcommittee met, pursuant to call, at 1:00 p.m. in Room 1100, Longworth House Office Building, Hon. John Larson [chairman of the subcommittee] presiding.

*Chairman Larson. The Subcommittee on Social Security will come to order.

Welcome to our witnesses and audience members who are joining us here. I want to thank everyone for being here today, whether you are here physically or joining us remotely, as we see so many pleasant faces on our screen.

Today, of course, is a most solemn day in history, marking the 80th anniversary of the attack on the United States at Pearl Harbor. Within days after that attack, the United States went to war against Japan and Germany. And our greatest generation saved the world.

Among the greatest generation was a great man and a great Senator, Bob Dole, who was wounded in battle while serving his country, and served in the Senate with distinction. Senator Dole passed away this weekend.

Also, many of our members are attending a funeral service for former congresswoman Carrie Meek today, who also served this house with distinction.

On this solemn day, whether here or remote, I ask we stand and bow our heads for the nation we love, out of respect for the people who served it with distinction, such as Carrie Meek and Bob Dole, as well as a tribute to the men and women of our armed forces, who continue to serve this nation. Please join me and stand in a moment of silence.

[A moment of silence was observed.]

*Chairman Larson. In this hybrid hearing format we will proceed in slightly altered fashion. We will begin with opening statements by the ranking member, the chair, followed by testimony from our witnesses, and an opportunity for each member to inquire for five minutes. We will go in order of seniority for questioning, alternating between minority and majority.

I know that we may have a few Ways and Means members who are not members of the subcommittee who are joining us today. They will be permitted to inquire after all subcommittee members have had their opportunity to question.

As a reminder, members who are joining remotely will be responsible for muting and unmuting themselves throughout the proceedings. All members and witnesses, please make sure to keep your microphone muted when you are speaking. This will help to minimize feedback.

For those of you joining me here in person, it is good to see you all. And for those joining remotely, I am glad you are able to participate, as well.

With that, I would like to welcome everyone to the Committee on Ways and Means Social Security Subcommittee's hearing on The Fierce Urgency of Now - Social Security 2100: A Sacred Trust. Thank you to our witnesses for taking time out of your day to participate in the discussion.

I will begin a bit out of regular order. We have some handouts for members, and I will then recognize the ranking member, and will then introduce witnesses and have some additional comments.

The handouts for everyone are at your desk, or have been sent to you digitally if you are remote. What those handouts include are facts about Social Security, and its beneficiaries who rely upon the nation's number-one insurance program, number-one social safety net, and the number-one permanent, anti-poverty Federal program for seniors and children.

Number two, an impressive list of groups who support and endorse Social Security 2100: A Sacred Trust. More than 140 organizations support the bill.

Number three, relevant polling data, which shows the bipartisan support for Social Security and for increasing benefits.

I would also like to submit for the record, without objection, Mr. Biggs's polling data, also, that he included in his testimony, or refers to in his testimony.

[\[The Chairman's reference to polling data follows:\]](#)

*Chairman Larson. And also, and most importantly, each member will receive their own Social Security card with Social Security statistics for their district.

I have here today -- and we did this in alphabetical order -- two such examples. The first is that of Representative Arrington of Texas. And what we have done with these cards is the following. We have put down how many recipients are in your district, how much money comes into your district on a monthly basis, and what that breakdown is.

So, for example, Mr. Arrington has 126,855 Social Security recipients. His district receives 169 million in monthly payments. And also, these benefits are broken down as such: 86,126 retirees; 9,254 children; 10,215 widows; 5,257 spouses; and 16,000 disabled workers are in Mr. Arrington's district.

Again, going alphabetically, for Mr. Blumenauer, who joins us here, he has 136,413 recipients who received 200 million in monthly payments from Social Security. He has 101,986 retirees; 6,976 children; 6,699 widows; 4,831 spouses; and 16,000 people who are disabled.

That is why it is -- Social Security is the nation's number-one insurance plan, and why Social Security is the most effective plan to keep our elderly and our children out of poverty.

Out of courtesy, I would like to recognize Republican Leader Reed, because I went out of order to do this.

If you would like to comment now, proceed. And then I will introduce the witnesses. Or, if you like, I will continue, whatever you would like.

*Mr. Reed. Go right ahead. Finish up.

*Chairman Larson. I thank the Republican leader and, as I will say later, I also want to commend and applaud him for his service on this subcommittee. He has been a valued member and a good friend.

Thank you, Tom.

*Mr. Reed. Thank you.

*Chairman Larson. The fierce urgency of now. We borrow Martin Luther King's term to describe the need for Social Security 2100: A Sacred Trust.

In legislative parlance, this bill is called H.R. 5723. But that isn't -- nor is this legislation about parlance. It is about kitchen table discussions which directly impact people's lives, where it counts the most, their pocketbooks, and their desire for a secure future.

Who is this bill about? It is about your parents, your brothers, your sisters, your aunts, your uncles, your coworkers, your neighbors. To be sure, this bill is a first step. It is an enormous and important step for those who need it the most, and whose very security and livelihood hang in the balance, waiting for this Congress to act.

And while I may have preferred a more comprehensive bill, we must not let the perfect, as the saying goes, become the enemy of the good.

The time to act is now. Social Security, as everyone knows, is the nation's number-one insurance program, and impacts every American. Here is the reality. Social Security benefits have not been expanded in over 50 years. Let me repeat that. In over 50 years, Congress, through Democratic and Republican administrations, has not expanded Social Security.

Five million seniors are living in poverty in the wealthiest nation in the world. Let's be clear. This is not something that the President can do through executive order, or something that the Supreme Court will adjudicate. It is the responsibility of the Congress, and that responsibility starts with this committee. And the time to act is now.

It is beyond me how any member can look your family member, your neighbors, the people you worship with, your coworkers, how any member can look them in the eye and explain why the committee we all serve on has taken no action on something so vital to their lives, especially knowing that it all starts here, in this committee, knowing it is our responsibility.

As chairman of this committee, it is my intention to act, and to move this legislation to a vote.

Dr. Martin Luther King said it in the 1963 March on Washington: We have come to remind America of the fierce urgency of now.

People living in these conditions don't need to be reminded. But to further paraphrase Dr. King, now is the time to make real the promise of democracy. Now is the time to make good on the promise of the Federal Government to its people in what President Biden so eloquently called

a sacred trust. Dr. King's words served then, as they do now, as a call to action, action for the five million fellow Americans who receive a below-poverty-level check.

The COVID-19 pandemic and its variants have only further underscored the need to act. Why? Eighty percent of the seven hundred and eighty-seven-thousand Americans who died due to COVID were seniors. Those households need stability and security, and they need it now.

For the 65 million Americans who have seen no enhancements in their Social Security benefits amidst all the changes in the increased cost of living they are now experiencing, the time to act is now.

For our disabled veterans, as we will hear today from Shaun Castle, the urgency becomes even more paramount. Never have so few done so much for so long for so many as our men and women who wear the uniform. The time for lip service is over. The time for acting on their behalf is imminent.

For dependent children, as Cora McDonnell so eloquently explained, "Without Social Security, I could not have survived. I would have been homeless, and unable to provide for my young son and his medical conditions."

Let's be honest. This is beyond urgent. This is shameful. Shameful. Dr. King reminds us this is not the time for the tranquilizing drug of gradualism. Tranquilizing drug of gradualism. It is time to act. It is time for this committee and this Congress to vote.

Thirty-nine years ago, Congress passed legislation that increased the longevity of the program, but did so by cutting benefits. And those cuts are still going into effect, as we will see this January. It is time to cast a vote on behalf of all beneficiaries, not with cuts, but with improvements to their lives. Believe me, no one is purchasing stock options with their Social Security checks. This is basic subsistence and survival.

This legislation is bipartisan. Majorities of Democrats, Independents, and Republicans favor increasing benefits, and oppose cuts. They also support ensuring the wealthy pay the same as everyone else, as President Biden has proposed by lifting the cap on those who earn more than \$400,000, so that Jeff Bezos and billionaires pay the same rate as average citizens. Look, Democrats and Republicans agree that benefits must be improved.

I would like to thank the Chairman and my fellow committee members for their proposals and their thoughtfulness, many of which are included in this bill. I want to commend Chairman Neal, and Republican Leader Brady, Representative Sánchez, Republican Leader Reed, Brian Higgins, Vern Buchanan, Gwen Moore, Tom Rice, Lloyd Doggett, Rodney Davis, Danny Davis, Brad Schneider, and others.

So here we are today, with a bill first submitted almost a decade ago, with a hearing leading to a markup that is critical to our fellow Americans in need. What is different?

What is different is we have a President who believes Social Security is a sacred trust, a President who saw the devastation in 2008 and 2009, when people's 401(k)s became 101(k)s. He has seen the impact of this pandemic and those who have been hurt by congressional inaction.

And the President knows that it is Millennials who will need it more than Baby Boomers, whom 10,000 a day become eligible for Social Security. So, yes, we are honored to combine the President's ideas with ours to help Americans most in need.

What else is different? We have a Democratic majority who will oppose cuts to Social Security and the privatization of Social Security that Republicans and their witnesses here today continue to promote, and believe that the new deal in Social Security is a bad deal. You see, they don't believe in the guarantee of Social Security. How ironic, because the public knows, when the private sector system collapsed, Social Security never missed a payment. In 2008 and 2009, it didn't miss a pension, a disability, a spousal or dependent payment.

I know I am preaching to the choir, because members on this very committee have been direct recipients of Social Security, and have eloquently spoken how it got them and their families through this.

So let us proceed to our witnesses. Let us focus on what this means in people's day-to-day lives, what they talk about over the kitchen table as they deal with this roller coaster of a pandemic, and how it has impacted their lives. And most of all, let us be resolved to act.

*Chairman Larson. And with that, let me recognize our Republican leader, Mr. Reed, for his opening statement, again, on this solemn day. And again, I would like to applaud him for his service to this subcommittee and to Congress.

Mr. Reed?

*Mr. Reed. Well, thank you, Chairman Larson, for not only holding today's hearing, but also for being the true gentleman that you are. And it is an honor and a privilege to serve with you in this body, and on this committee, and on this subcommittee.

And I would also like to thank all of our witnesses for joining us, both here in person and from across this great country.

Before we begin, I also want to join with Chairman Larson on this particular day of remembrance of the devastating surprise attack on Pearl Harbor.

I would like to note the passing of a true hero and patriot, just as Chairman Larson indicated, Senator Bob Dole, who led the bipartisan efforts that resulted in the Social Security reforms of 1983 that preserved Social Security for generations to date. His leadership and sacrifice, as well as the contributions and sacrifices that American service members like our own witness today, Mr. Castle, and others, helped to ensure that we can have these free and open debates, like the one we are having today.

I would also like to extend a special welcome to Ms. Greszler, who I understand grew up in one of our home counties in our district, Chautauqua County, in western New York.

As many of you are aware, Social Security plays a big part in my personal story. After my father passed away, my mom and hero, Betty Barr Reed, was able to raise me and my 11 older siblings on her own with the help of Social Security and my father's military death benefits.

My story is not unique. Like many of us here today and many more back home, Social Security plays an integral role in their lives. Because of that, I truly do commend Chairman Larson's continued commitment to Social Security reform.

As we know, Social Security is often referred to as the third rail of politics, in large part because history has shown us that those who are willing to discuss it often get burned, politically. So, even though this latest version does not achieve sustainable solvency -- let me repeat that, does not achieve sustainable solvency -- putting forward a proposal like this takes courage and leadership, and I thank the chairman for his willingness to tackle this hard issue.

While we may not see eye to eye on what needs to be done, one thing that I think Chairman Larson and I are in full agreement with is the cost of delay. We have just over a decade until 2033 to make changes before the Social Security trust fund is exhausted, and beneficiaries will see an automatic 24 percent across-the-board reduction in their benefits.

I would like to reemphasize that point for my colleagues on both sides of the aisle. The longer we wait to fix this, the more draconian the solution is going to look. For those on the left, that could mean bigger and more painful benefit cuts. And for those on the right, even more

devastating tax increases that will harm workers, employers, and make it that much harder for our kids and grandkids to find success.

Social Security is a multi-generational program, which is why we need a Social Security plan that addresses the needs of Americans today, and also the needs of Americans down the road, which is why we shouldn't be proposing costly increases to benefits on the backs of our children and grandchildren. Today's retirees don't want that, and neither do those just entering the workforce.

We have a responsibility to strengthen it in a way that doesn't just protect current beneficiaries, but current and future workers, many of whom are finding it hard to make ends meet amid rapidly rising prices, inflation, and a struggling economy.

I am encouraged to see that this version of the bill includes targeted reforms that we haven't seen in past versions, some of which resemble proposals introduced or co-sponsored by our GOP leaders, GOP colleagues, as well as members on this committee and off this committee on the other side of the aisle.

But these targeted reforms are on top of a costly, across-the-board benefit increase. And although the benefit increases in the bill generally expire after five years, we all know how hard it is for Congress to actually let a benefit expire. So the true cost of this bill, if these increases were made permanent, would be far higher.

But even if you take the bill at face value, if you take a look at the score, you can see that this tax increase doesn't even cover the cost of these temporary increases while they are in effect. From 2022 to 2026, this proposal actually pushes Social Security further into the red by increasing the already substantial actuarial deficit. Not only does the tax increase included in this bill fail to cover costs while the benefit increases are in place, even without the benefit increases this new tax increase would only get us about halfway to solvency.

Even if we completely eliminated the cap on payroll taxes, meaning an immediate 12.4 percent tax increase on all earnings above \$147,000 in 2022, and made no other changes to Social Security, it wouldn't be enough to pay for current benefits, let alone the 10 percent expansion this bill includes.

This is a really important point because, if you already increase taxes on those making over \$400,000, the only places you can make up the difference are benefit cuts or increasing taxes on middle and lower-income Americans.

Fixing Social Security so that it is there for future generations is a hard-enough task, as is. Expanding the program through significant, costly, across-the-board benefit increases, instead of targeted reforms that we do agree upon, that are set forth in this bill and can help control costs, puts an already-high bar out of reach.

We share the same goal: ensuring that those who have paid into these important programs have security against disability and old age. So while I cannot support this bill, I am

happy to work with Chairman Larson to get some real, permanent, targeted reforms enacted into law.

*Mr. Reed. And with that, I thank the chairman and yield back.

*Chairman Larson. I thank the gentleman for his comments. We will now turn to our panel of witnesses, each one of whom is an expert on Social Security.

Thank you again for joining us here today, either here, physically present, or remotely.

Hilary Shelton, with the NAACP, was scheduled to testify before the subcommittee, but was called away and cannot join us today. But I would like to submit his remarks for the record, in which he asked Congress to vote for Social Security 2100: A Sacred Trust.

*Chairman Larson. I will introduce all the witnesses, and then recognize each one to testify.

Today's expert witness panel consists of Robert Roach, Jr., president of the Alliance for Retired Americans; Nancy Altman, President of Social Security Works; Shaun Castle, Deputy Executive Director of Paralyzed Veterans of America, and himself a veteran who has served our country; Yanira Cruz, President and CEO of the National Hispanic Council on Aging; Andrew Biggs, Senior Fellow at the American Enterprise Institute; Bette Marafino, a personal favorite of mine, and President of the Connecticut Alliance for Retired Americans; Amy Matsui, Director of Income Security, and Senior Counsel at the National Women's Law Center; and Rachel Greszler, Research Fellow in economics, budget, and entitlements at the Heritage Foundation -- apparently, a neighbor of yours, as well, Mr. Reed. And last, and certainly not least, Max Richtman, President and CEO of the National Committee to Preserve Social Security and Medicare.

Each of your statements will be made part of the record in its entirety.

Without objection, witnesses are asked to summarize their testimony in three minutes or less.

To help you with that time, you will see a timing clock on your screen, counting down your three minutes.

Please remember to unmute yourself before you begin to speak, and mute again after you finish.

Mr. Roach, we will please begin with you.

STATEMENT OF ROBERT ROACH, JR., PRESIDENT, ALLIANCE FOR RETIRED AMERICANS

*Mr. Roach. Thank you, Mr. Chairman, and Ranking Member Reed, and members of the subcommittee.

I would like to especially recognize my congressman, Don Beyer, for his outreach to the community, and much of what I have to say is what I have learned from his direct communication with his district.

The legislation will provide a benefit increase to all beneficiaries, extend the solvency of the Social Security trust fund, and improve the Social Security system.

The disappearance of traditional pensions, the lack of retirement savings and -- due to stagnant wages and after the effects of the 2008 recession have left millions of Americans needing to --

*Chairman Larson. Mr. -- may I interrupt you for a second, Mr. Roach?

*Mr. Roach. Yes.

*Chairman Larson. Could you speak a little bit closer to your microphone? We are having a little bit of a problem hearing you.

*Mr. Roach. Okay. Can you hear me now?

*Chairman Larson. Yes, that is better. Thank you.

*Mr. Roach. Okay. Well, I am not going to start over. The only thing I would like to say to that -- the Social Security Act that you are -- the sacred trust act, is vitally important to pass.

Half of America, half of the seniors that rely solely on Social Security, which is about \$18,500 for the majority of the people receiving Social Security.

And I would like to focus -- I think we all know what the problem is. I think we all know what the solutions are, and I think we have discussed that.

The issue is what is happening in America, what is happening in the supermarkets, where I have the opportunity to speak to many of the seniors. And again, getting information from Congress, from Beyer's Reach Out programs, there are people who go to the supermarket on a daily basis with a shopping list. I am talking about seniors relying on Social Security. These are people who have worked hard all their lives, have played by society's rules, have done the things that they were supposed to do. They go to the polls and vote, and now have to go to the supermarket and decide should they buy the food they need, or the prescriptions that their doctors have described for them. I see this in Northern Virginia, which is a middle-class community.

What do you think is happening? You can only imagine what is happening in impoverished communities that are predominantly African American, Hispanic American, and Asian Americans. We don't have any additional income. The pensions have been taken away through corporate bankruptcies through -- the 2008 great recession has taken away their retirement savings. They don't have any more money to save. They have been retired for many years, and they are getting maybe 400 or \$500 from a pension plan, if any.

The time -- I have to echo what Congressman Larson said, Chairman Larson said, the time to act is now. We don't have any other opportunity in the near future to take care of these problems. People are suffering in America today. People need Congress to act.

Martin Luther King said, from his jail cell in Birmingham, Alabama, "Justice long delayed is justice denied." The American seniors are being denied justice today, and we need Congress to fulfill their constitutional obligation and vote.

We go to the vote -- we go to the polls and vote consistently, because we believe in our country. We have worked hard for our country. We are asking Congress to do the same. Give the vote to Congress.

We believe that this bill will be passed by bipartisan support. I don't believe people are going to go home, explain to grandma and mom that they voted against an increase in Social Security.

We are prepared to work with people on both sides of the aisles to get this done. But the debate is over. The question needs to be called. Any time we see Americans suffering, sleeping in the street -- how long can we be the moral compass of the world, unless we take care of our seniors, and feed the people, give them the prescriptions they need, the health care that they need.

People on the bottom of the spectrum are already at poverty levels. But the increase that we were supposed to get in Social Security in 2022 has been eaten up by Medicare costs, the Medicare co-pays, new deductibles, higher premiums. They are being left behind.

And again, it is time for Congress to act, to lift those from the bottom, to bring people up to a decent standard of living, so that their children and grandchildren are not being stifled with opportunities because they have to take care of mom and dad, or grandma and grandpa, those who took care of us.

*Chairman Larson. Thank you, Mr. Roach, for your testimony.

*Mr. Roach. Thank you.

*Chairman Larson. We greatly appreciate it, and I apologize that I had to interrupt you in the midst of your remarks because of the technical difficulty in hearing. But thank you for your comments, and we will now recognize Nancy Altman.

STATEMENT OF NANCY ALTMAN, PRESIDENT, SOCIAL SECURITY WORKS

*Ms. Altman. Chairman Larson, Ranking Member Reed, members of the subcommittee, it is imperative that this Congress vote on the 2100 Act. The nation is facing a retirement income crisis. Social Security is the country's most important source of retirement income, but the last time Congress expanded it, Richard Nixon was president.

Expanding Social Security, while requiring those at the top to contribute more, will also help to reverse income and wealth inequality, an issue President Obama called “the defining challenge of our time.” That inequality not only exacerbates the retirement income crisis; it also costs Social Security billions of dollars of revenue every year.

Importantly, a vote on the 2100 Act will begin to restore the intangible, but essential benefit of security, which too many Americans have lost because they believe that they will never see their earned benefits.

The 2100 Act cuts Social Security's projected shortfall by more than half, from 3.54 percent of taxable payroll to 1.71 percent, a significant down payment, and a key step in restoring that peace of mind.

Although the 2100 Act has no Republican cosponsors, polling reveals that it is fully bipartisan. Large majorities of Republicans, independents, and Democrats strongly support expanding Social Security without cuts, while requiring the wealthiest to pay more.

And this is a voting issue. A 2018 poll found that even 56 percent of those who voted for Donald Trump, and 55 percent of those who identify as Republican would be more likely to vote for a candidate who supported expanding Social Security.

Expanding, not cutting, Social Security will strengthen the economy and create jobs. Social Security is especially important to rural communities.

In summary, the 2100 Act is a solution. It is wise policy, and represents the will of the people. It will improve the economy, create jobs, and add substantially to the security of working families. I urge you to report it out of committee and have it brought to the floor for a vote as soon as you possibly can. Thank you.

*Chairman Larson. Thank you, Ms. Altman. And now we would like to recognize Shaun Castle.

Mr. Castle, will you begin?

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

*Mr. Castle. Chairman Larson, Ranking Member Reed, members of the subcommittee, I am Shaun Castle, Deputy Executive Director for the Paralyzed Veterans of America, and I want to thank you for giving us this opportunity to express PVA's support for H.R. 5723, the Social Security 2100: A Sacred Trust Act.

As you know, veterans and their families comprise 35 percent of the Social Security recipient population. At one time I was part of that population. And, as I have testified previously, Social Security disability insurance allowed me to start to put my life back together after I sustained a spinal cord injury in 2003, and now means I will be a wheelchair user for the rest of my life. Had I not received SSDI when I did, I honestly don't know what would have happened to me. Unfortunately, my story is not unique. As a result, PVA supports efforts to strengthen and protect Social Security, and urges Congress to pass the Social Security 2100: A Sacred Trust Act now.

I would like to highlight a few of the many important provisions that will directly benefit many PVA members and other veterans with disabilities, other veterans, and people with disabilities.

First, H.R. 5723 would improve the annual COLA, which would help many older veteran retirees and their spouses, who are more likely to receive -- or more likely to rely on Social Security benefits as they age.

Second, it would update Social Security's special minimum benefit, so that people need not retire into poverty. Over 9 percent of male veterans with disabilities live in poverty, while more than 15 percent of women veterans with disabilities live below the poverty line.

Third, the bill also offers a tax cut for many other beneficiaries of modest incomes, and ensures all benefits are paid for.

The legislation also includes long-overdue policy changes that are of particular importance to PVA members and other people with disabilities.

Specifically, the legislation would provide caregiver earning credits under Social Security, which would help the 5.5 million caregivers of veterans with disabilities who put their own retirement security at risk to care for their wounded, ill, or injured loved one.

It would also eliminate the five-month waiting period that most beneficiaries must endure before they can begin to get SSDI. Forcing those who have already lost their income from work, possibly their home and health insurance, to wait an additional five months to get these necessary supports is cruel and inequitable.

Another important provision would replace the current cash cliff with a gradual reduction of benefits as earnings rise, which would alleviate one of the most troublesome barriers faced by SSDI beneficiaries who want to return to work.

Many of PVA's Ticket to Work clients struggle with the current earning limits, even as they seek to achieve economic self-sufficiency.

Thank you, Chairman Larson, Ranking Member Reed, and members of the subcommittee for your attention this afternoon. The Social Security 2100: A Sacred Trust Act demonstrates that preserving and strengthening Social Security can be done without causing harm to beneficiaries. PVA calls on this committee, and Congress as a whole, to act now, and move this important legislation forward. We stand ready to work with you and your colleagues in advancing this legislation to extend and enhance Social Security.

I would be happy to answer any questions you may have at this time.

*Chairman Larson. Thank you, Mr. Castle.

Dr. Cruz, you may please begin.

STATEMENT OF YANIRA CRUZ, PRESIDENT AND CEO, NATIONAL HISPANIC COUNCIL ON AGING

*Ms. Cruz. Thank you, Mr. Chairman and members of the committee.

The National Hispanic Council on Aging supports the Social Security 2100 Act because it would be a first step to expanding benefits and strengthening the program for future generations.

Social Security impacts every American, including Hispanic Americans. Hispanics comprise the nation's largest ethnic minority group, with a population of more than 60 million. Many Hispanics are among the working poor. American workers, especially the working poor, depend on Social Security to help them with their economic security after a lifetime of hard work.

A large proportion of Hispanics tend to work in jobs that pay lower wages, and are less likely to have pension coverage.

Among seniors, Social Security is the sole source of income for 40 percent of Hispanics, and more than 75 percent of Hispanics rely on Social Security for at least half of their income.

Let me share this story of a woman that we work with, Berta. She is an American citizen. She immigrated to the United States in 1981, when she was 38 years old. Berta worked for 27 years in the cleaning industry. She formally retired in 2008, when she turned 65 years old. She continued to work until 2017. Today Berta is 78 years old, and lives in Washington, D.C. After almost 40 years of work in the United States, Berta's sole source of income comes from Social Security. Her annual income from Social Security is \$10,800, or \$900 a month.

When asked about her Social Security benefits, Berta told us Social Security's modest benefits are more important than ever to guarantee our economic security. "If it wasn't for this benefit, I would be living out in the streets, eating from shelters, and without possibilities to afford my medicines."

Berta's monthly budget includes \$275 a month for rent, about \$250 for food, \$150 for medicine, and \$150 for car insurance and gas. After those expenses, she is left with \$75 for the entire month for her necessities, like getting her hair cut.

Berta asked me to convey the following message: "We need to stay together in this battle. Social Security is a blessing for workers who have helped make this country better and stronger. Strengthening and expanding benefits would provide a lot of relief, not just to us who are utilizing benefits now, but our future generations."

And lastly, we ask Congress to act on this issue now, as soon as possible, and vote. Thank you.

*Chairman Larson. I now -- thank you, Dr. Cruz.

Dr. Biggs, you are now recognized.

STATEMENT OF ANDREW BIGGS, SENIOR FELLOW, AMERICAN ENTERPRISE INSTITUTE

*Mr. Biggs. Chairman Larson, Ranking Member Reed, and members of the committee, thank you for the opportunity to testify today. Time is limited, so I hope to make three points.

First, while I favor substantial targeted Social Security benefit increases that would eliminate poverty in old age, there simply isn't any evidence of a large-scale retirement crisis that supports across-the-board benefit expansions. I refer you to my written testimony for citations, but let me give you the following facts.

Access to employer-sponsored retirement plans and participation in those plans has never been higher. Contributions to retirement plans, the share of employees' wages, have never been higher, up by nearly half since the 1970s.

Total retirement savings have never been higher, up sevenfold since 401(k)s were introduced in 1978.

The average Social Security benefit for new retirees last year was 32 percent higher than in 2000, even after inflation.

Retirement incomes are at record levels throughout the income distribution, and poverty and old age has never been lower. The average retiree household's income more than doubled since 1979, growing substantially faster than incomes for working-age Americans.

Americans' responses in public opinion surveys mirror these facts. Eighty percent of seniors tell Gallup they have enough money to "live comfortably." Only five percent of retirees say they are "finding it hard to get by."

Why can't we accept our successes and build on them, instead of purporting a retirement crisis that does not exist as a way to turn our retirement system upside down?

Second, whether you like or dislike the Social Security 2100 Act, it will not become law. Just as President Bush's Republicans-only plan in 2005 did not pass. Social Security 2100 is the favorite of progressive activists, but most Americans don't favor Scandinavian-level tax rates for a plan that adds only five years to the life of the trust fund.

If we wish to fix Social Security, we can only do so together. That means a mix of tax increases and benefit reductions. Both sides need to swallow some policies they dislike to achieve a bigger win for Americans.

But finally, there is a third option: Fix Social Security more by reducing benefits, but have Americans save more for retirement on their own. Last year the Rand Corporation asked Americans whether they would prefer to boost their retirement incomes by saving more on their own in a retirement account, or by paying more into Social Security and getting a higher benefit in retirement. Three-quarters of Americans favored saving more in their own account over paying more into Social Security, and that is consistent over every group measured in the poll.

A reform plan that builds universal savings accounts on top of Social Security is a good, middle ground between only raising taxes or only cutting benefits.

I admire anyone who proposes a Social Security reform plan. Most congressmen duck the issue. But Social Security 2100 responds to a retirement crisis Americans don't face with solutions Americans don't favor. By working together, though, Congress can do better.

Thank you very much.

*Chairman Larson. Thank you, Dr. Biggs.

Bette Marafino, you are recognized. Please begin.

STATEMENT OF ELIZABETH (BETTE) MARAFINO, PRESIDENT, CONNECTICUT ALLIANCE FOR RETIRED AMERICANS

*Ms. Marafino. Thank you, Chairman Larson and members of the committee. On behalf of the 50,000 members of the Connecticut Alliance, I would like to thank Chairman Larson, my congressman, and the sponsors of Social Security 2100: A Sacred Trust, for introducing this important legislation, and urge Congress to pass it now.

This comprehensive bill provides across-the-board increase to ensure no one retires into poverty, and can receive the full earned benefits.

I would like to share two stories from Connecticut retirees that illustrate why this legislation is needed now.

John would have a more secure retirement if this bill becomes law. He taught high school physics for 30 years, and, because his job provided a pension, he didn't pay into Social Security while working as a teacher. But he did pay into Social Security by working full-time in a factory for several years before he became a teacher.

In the Social Security amendments of 1983, called the Windfall Elimination Provision, reduces the earned benefits of retirees receiving a public pension. John receives \$200 monthly Social Security, when he should rightfully receive 800.

Social Security 2100 will repeal this unjust law, as well as the related government pension offset, which negatively affects thousands, especially women.

Frank worked for a tech company for 24 years, and was laid off one year before he qualified for his company retirement plan. After his forced retirement, and not age-eligible for Medicare, Frank worked odd jobs to help with his hefty medical expenses. Frank began rationing his blood pressure medications. Recently, Frank suffered a stroke and died.

Perhaps an increase in benefits would have helped Frank and many others who have trouble affording lifesaving medications.

The three-legged stool needed for a comfortable retirement -- pension, personal savings, and Social Security -- is not now the norm. Fewer employees now offer pensions, and Social Security is often the sole source of retirement income.

Before Social Security, there were poor houses across the country. We don't want to go back there. Congress needs to recognize this crisis and pass Social Security 2100: A Sacred Trust. Retirees can't wait.

Thank you.

*Chairman Larson. Thank you, Bette. We now recognize Ms. Matsui.

Please begin.

STATEMENT OF AMY MATSUI, DIRECTOR OF INCOME SECURITY AND SENIOR COUNCIL, NATIONAL WOMEN'S LAW CENTER

*Ms. Matsui. Chairman Larson, Ranking Member Reed, and members of the subcommittee, thank you for the opportunity to testify on behalf of the National Women's Law Center.

The Center strongly endorses Social Security 2100: A Sacred Trust Act.

Even before the pandemic, women faced deep inequities in the workforce and our economy. The cumulative impact of a lifetime of disparities means that women's risk of economic insecurity only increases in their older years. The gender wage gap alone costs women \$400,000 over a 40-year career, with a lifetime loss of earnings for Black and Latino women approximating \$1 million.

While women faced a retirement crisis before 2020, the pandemic has only exacerbated older women's economic insecurity. Women of color and women, more generally, were more likely to face job loss and material hardship during the depths of the pandemic. According to an AARP survey earlier this year, one in three women said that their financial situation is worse than it was in January 2020, and COVID-19 will have negative long-term effects on women's lifetime incomes, wealth, and overall economic security.

Social Security's stable lifetime inflation-adjusted benefits are essential to women's retirement security. But Social Security's benefits are modest, and women's benefits are only 80 percent of men.

The experience of Vee Tucker, a 73-year-old hospitality worker in D.C., exemplifies both the importance of Social Security for women, and the urgent need to improve benefits. As she told us, "Since I was 12 years old, I have worked non-stop. As a single mom caring for three sons, I took on two to three jobs at a time, and worked six to seven days a week to make enough to support them. But now I am 73, and, despite working for 60 years, I have no savings. I am grateful for Social Security, but my monthly check is simply not enough to cover my rent, food, medical costs, and other expenses. I constantly worry whether I will have enough money to pay my bills."

I want to highlight a few key provisions in H.R. 5723 that would improve Social Security for the women who most rely on it.

First, H.R. 5723 would increase benefits overall, mitigating the impact of racial and gender gap in benefits, as well as early retirement penalties.

Second, the bill would update the special minimum benefit, boosting the economic security of many women of color, like Vee Tucker, who are over-represented among low-paid workers.

Third, the bill would credit caregiving in the regular benefit formula, preventing women who were pushed out of the workforce because of caregiving responsibilities from taking a financial hit in their old age.

Finally, applying payroll taxes to earnings above \$400,000 would provide additional revenues to support Social Security's long-term solvency.

These and other improvements in the bill would provide an immediate and much-needed boost to older women's economic security.

Thank you for the opportunity to testify today. I look forward to answering your questions.

*Chairman Larson. Thank you, Ms. Matsui.

And now, Ms. Greszler, you are recognized. Please begin.

STATEMENT OF RACHEL GRESZLER, RESEARCH FELLOW IN ECONOMICS,
BUDGET, AND ENTITLEMENTS, THE HERITAGE FOUNDATION

*Ms. Greszler. Thank you. Social Security is an extremely popular program, but that is largely because it has provided far more in benefits than it has taken in taxes.

The fact is that every dollar Americans are paying today in Social Security taxes goes immediately out the door to fund current retirees' benefits, stripping workers of the opportunity to earn a positive rate of return on their money.

And despite decades of paying into the system, workers have no assurance that Social Security will provide for them, because the program will be insolvent in 12 years. And its \$19.8 trillion unfunded obligation amounts to \$154,000 for every household in America.

Reform is dire. So the question is whether to make Social Security bigger, with larger taxes, or smaller, with more targeted benefits.

Considering Social Security's restrictions on personal savings, incomes, and autonomy, and how it can strip decades of contributions from workers who die early, Americans would be better off with a more targeted program.

The Penn Wharton Budget Model estimates that a smaller system would lead to a 7.3 percent larger economy. That is \$10,700 more income per household.

In contrast, the Social Security 2100 Act would shrink growth, and unreasonably raise benefits for millionaires by 16 times as much as for someone making \$30,000. And its economically destructive tax hikes would fail to significantly improve the program's shortfalls.

The 2100 Act plus Build Back Better would raise the top Federal tax rate to 63.8 percent. In California, it would be a 77 percent rate. Such massive tax hikes won't come close to paying for the spending, and they will create economically destructive incentives for the most productive activities.

A Heritage analysis found that even a 100 percent tax on all earnings over \$200,000 wouldn't pay for half of the liberal agenda. It is simply not possible to just tax the rich. All these new, so-called social benefits will require massive tax increases on lower and middle-income earners, similar to the 40 percent and higher rates that apply to low-income single mothers in big government countries.

If passed, the BBB's tax hikes and creation of up to \$2.8 trillion in new debt would make it harder to confront Social Security shortfalls. And the BBB's welfare-without-work policies and command-economy tactics would reduce employment, resulting in an estimated loss of \$289 billion in Social Security revenues over the next decade.

Reform is inevitable. The goal should be to create a better system that protects the most vulnerable, and that minimizes the drag on the economy. That should include shifting towards a flat, universal benefit that would keep more people out of poverty, modernizing the program, and

providing an ownership option. Heritage's Social Security model estimates that this would make the program solvent, and allow for a roughly 25 percent cut in Social Security taxes, so that all Americans could keep more of their earnings to save and spend as they see fit.

Thank you.

*Chairman Larson. Thank you, Ms. Greszler.

And now, certainly the last of our witnesses but not least, Max Richtman, you are recognized.

STATEMENT OF MAX RICHTMAN, PRESIDENT AND CEO, NATIONAL COMMITTEE
TO PRESERVE SOCIAL SECURITY AND MEDICARE

*Mr. Richtman. Thank you, Chairman Larson and Ranking Member Reed. Thank you for holding this hearing, and for inviting me to testify today.

Franklin Roosevelt and the other architects of Social Security created a masterpiece when they designed Social Security. In the depths of the Great Depression they understood how important it was to protect the average citizens and their families against what he called the hazards and vicissitudes of life.

Social Security does that, and more. It is not merely a retirement program. It is a contributory social insurance program. It is not welfare. It is an earned benefit that workers contribute to with each paycheck. Social Security protects workers and their families from loss of income due to death, disability, or retirement. There is no other wage replacement program that offers this level of protection.

The last major Social Security reform was over four decades ago, and the value of some of those benefits have eroded. It is time now to act, to vote on H.R. 5723. Enactment of Social Security 2100: A Sacred Trust Act would provide critical financial support to millions of your constituents, and help them afford their medications, put food on the table, pay for housing, heating, and other expenses.

Mr. Chairman, Ranking Member Reed, while all of our members support all of the benefits in this legislation, they are particularly concerned about the cost of living adjustment. It is at the top of their list. COLAs are supposed to protect Social Security benefits from being eroded by inflation. The current COLA formula falls short of providing needed inflation protection, simply because it fails to adequately measure the spending patterns of seniors.

When I attend policy forums around the country, I hear it over and over again: "Why does Congress not give me an adequate Social Security COLA?" That is why we strongly support the COLA provision in Chairman Larson's bill.

The two other issues that come up so often, and are most frustrating and deemed to be unfair, are the Windfall Elimination Provision and the Government Pension Offset that your witness from Connecticut described so accurately, and the taxation of Social Security benefits.

To be clear, the reason this legislation contains so many provisions to address so many improvements is we have waited over 40 years to improve the Social Security program. We think the time for waiting is over.

We ask this subcommittee, the full Ways and Means Committee, the House of Representatives to take up this legislation, and vote now.

Congress cannot and should not sit by and allow millions of our fellow citizens, who worked hard their entire lives, to spend their golden years struggling to get by. That is why the

National Committee to Preserve Social Security and Medicare urges you to vote now, and pass H.R. 5723.

Thank you very much.

*Chairman Larson. Thank you, Mr. Richtman, and we will now proceed under the five minute rule with questions for witnesses.

Members who are joining us remotely are reminded to unmute themselves when they begin, and mute again after they finish.

I will begin by recognizing myself for questioning.

Well, first of all, let me thank everybody.

And I especially want to thank our Republican witnesses, because I appreciate their candor and their honesty. And while I adamantly disagree with you, I do think it takes courage to say what you believe and state it clearly and succinctly. And both of you have done that. You have proposed cutting Social Security benefits, including raising the retirement age and privatizing the program. You have testified that Social Security is a bad deal for current and future generations, that has negative value, and limits personal and social well-being.

Mr. Biggs testified that cutting Social Security will increase economic growth. I would pose this question: What is the economic value of the full faith and credit of the United States Government?

What is the economic value of never missing a payment through recession, wars, and pandemics?

We call that a guarantee, not a risk, but a guarantee.

Would the country be better off without Social Security? That is the logical conclusion of our Republican witnesses.

That is not where the American people are. They know Social Security has strengthened the fabric of this nation, and will continue to do so as long as Congress acts.

My colleagues know this, as well. It is why they praise Social Security with platitudes, but put forward no real solutions. Their witnesses, though, reveal the true intentions. And I commend them for their honesty.

Whether it is to raise the retirement age, or whittle it away with private accounts, or to dismantle Social Security brick by brick, that would be devastating to the American people. And so, while I don't think this is a time for popping the corks, I don't believe that -- or maybe I am wrong about this. Maybe the seniors that I meet with in my district and across this nation are doing just fine.

Ms. Altman, I will ask you. How would you respond to what you have just heard?

[No response.]

*Chairman Larson. You are going to have to turn on your mic.

*Ms. Altman. As we know, COVID-19 has hit seniors particularly hard. It has also proven the value of Social Security.

With all of those people who died leaving dependents, Social Security is there. If there are long haulers, Social Security is there.

Social Security has transformed the nation, so that seniors no longer live in poverty. But they are just above poverty. And any shock -- if they get a bad medical diagnosis, for example -- could send them into poverty.

So the answer is -- both policy and politics line up here -- to expand Social Security, not to cut it. That is what the American people want, and that is what the right policy is.

And if I can make just one more quick point, Mr. Biggs talks about the fact that he thinks that Republican policymakers in this House and in the Senate won't vote for the 2100 Act. There is a simple way to find out.

*Chairman Larson. Vote.

*Ms. Altman. Hold a vote on the 2100 Act. In the Senate, if you cannot get 10 -- can't get 60 Senators, then -- and it gets filibustered, it is a perfect issue to be decided at the polls. So I think the answer is to go with what the American people want, which is the 2100 Act.

*Chairman Larson. I thank you, Ms. Altman, and you remind me about our colleagues in the Senate. Where in the Constitution does it say that you need 60 votes to pass a bill?

You know, our colleagues on the other side were chanting just a couple of weeks ago about one party rule. Really, what we have is one chamber rule here, in Congress, with the distortion of the filibuster. I would add that both parties have abused that.

But I thank you for your insights.

Bette Marafino from West Hartford, Connecticut, I am wondering if you agree with Mr. Biggs with regard to the assertion that seniors are doing just fine.

*Ms. Marafino. I do not agree with him at all. We talk to hundreds of seniors who have some of the same kinds of stories that John related, and they live, you know, pay -- by their monthly Social Security check.

And I think the most important thing to recognize here is the word "security." They know that they can count on it every month, and they don't have to look at the vagaries of the stock market. They can rely on it. And we hear many, many seniors say, you know, "I am scared to death that Social Security is going to go away, or my benefits are going to be reduced." So they want Social Security, and they want it improved.

*Chairman Larson. Thank you, Bette.

Shaun Castle, Mr. Biggs has asserted that this bill will not pass. This bill will not pass. And you heard Nancy Altman say, well, there is only one real, true way to find out whether or not people on this dais and in the Congress agree with what is being proposed.

Do you think that Congress ought to vote on this bill?

Do you think that veterans would like to know how their Member of Congress feels about the proposals in this bill to not only impact the disabled, but their family members, those who are suffering from post-traumatic stress?

We pay great platitudes, and honor our veterans on Memorial Day, and Veterans Day, and even the solemnity of a day like today, recognizing what happened at Pearl Harbor 80 years ago. But it is beyond rhetoric.

I would really like to know how you feel about that, Mr. Castle. Do you think we should have a vote?

*Mr. Castle. Mr. Chairman --

*Chairman Larson. Wouldn't you like to know --

*Mr. Castle. Chairman Larson --

*Chairman Larson. -- where people stand?

*Mr. Castle. Chairman Larson, I can say unequivocally that the 9 million American veterans who currently receive Social Security benefits, which represents just shy of 16 percent of all adult recipients of Social Security benefits, and PVA would definitely like to see Congress take action on this legislation and move it forward.

It is something that is extremely important to the Paralyzed Veterans of America. It is something that is extremely important to all veterans, and all people with disabilities. This is the only guaranteed life insurance policy, if you will, that many veterans and many people with disabilities have.

I am a perfect example of someone who, because of my catastrophic disability, I am not able to receive life insurance through anybody. So Social Security is the only guaranteed life insurance benefit I have, should I pass away, for my wife, who is my caregiver, you know, which is another large constituency population for the men and women sitting in that room who are Members of Congress that -- the caregivers of our veterans, the caregivers of all people with disabilities who rely on this.

I have also heard before that Millennials don't have any -- don't like Social Security, or don't receive Social Security, or have no benefit from Social Security, and that couldn't be further from the truth. Nine percent of Millennials have already received some form of Social Security, and that is millions of them who have received it through the breadwinner either passing away and getting survivor benefits, becoming disabled, or retirement. And it has gotten millions of Millennials out of poverty, and will continue to do so.

So there are many men and women in this country who would love to see this come up for a vote. PVA definitely would like to see Congress act on this. It is something that is very important to veterans, but also to all people with disabilities. So absolutely, we would like to see this come up for a vote.

*Chairman Larson. Thank you, Mr. Castle.

Let me recognize the distinguished Republican leader, Mr. Reed.

*Mr. Reed. Well, thank you, Mr. Chairman.

And before I go to the witnesses, I would remind -- and I applaud the chairman of his disagreement with those that schedule the votes in the House, our Speaker, Nancy Pelosi, as well as those who schedule the votes in the Senate, Chuck Schumer -- where a vote is under my colleagues across the aisle's control. So if there is an ability to have this brought to the floor, this is clearly on my colleagues on the other side of the aisle to work with their leadership to get a vote done. But I hazard a guess that that is not going to happen, because they know the outcome of this bill, and they know this bill will not move forward, as proposed.

However, that being said, I would also like to go on the record very clearly today. My colleague, Mr. Larson, who is a dear friend, has articulated that there is an assumption that the U.S. economy and the U.S. capacity to honor its bills is unlimited, that the full faith and credit of America is something that cannot be challenged in the future.

Let me go on the record today, on December 7, 2021, that the unthinkable is possible. The unthinkable, in my humble opinion, we have already crossed, and gotten to the point of no return. That is that, with our national debt, with our sizable deficits each and every year, the full faith and credit of the United States of America is in jeopardy. And I will tell you that should be a crisis that we all fear each and every day that we exist in this chamber, and should address. But we don't.

And I will tell you, just so the record is clear, when I look back at this time, when we hit that day of reckoning, that I want it to be on the record and one of the voices that is crying from the mountaintop that we are not in a position where we can have such arrogance and assumption that the full faith and credit of America will exist indefinitely.

That being said, I would like to get to Mr. Biggs and the characterization of his testimony, where he indicated that it was viewed by my colleagues on the other side of the aisle that senior citizens in America are doing just fine.

That is not how I read your testimony, Mr. Biggs. How I read your testimony is that senior citizens in a targeted fashion are suffering some income difficulties. But across-the-board benefit increases don't just result in benefits going to those that need that targeted relief. Am I hearing your testimony, and reading your testimony inaccurately, Mr. Biggs? Or is there a clarification, so that my colleagues on the other side of the aisle understand exactly what you are trying to argue and articulate when it comes to the across-the-board benefit increases that are advocated by my colleagues on the other side of the aisle?

*Mr. Biggs. Well, thanks, Congressman. I appreciate the chairman praising me for my honesty, but I would have also appreciated a, to be frank, more honest portrayal of what I said, and what I have actually proposed.

And I think that the key here is that this is not a slippery slope argument, where if you are saying we shouldn't fix Social Security entirely with tax increases, that therefore we should

eliminate the program. That is not at all what my testimony said. My testimony said that we should split between tax increases and benefit cuts. Let's say that.

Likewise, just because I say there is not a retirement crisis doesn't mean I say everybody is doing fine. I have myself proposed Social Security reforms that would eliminate poverty in old age. That is something that Social Security 2100 doesn't do.

But let's just talk about the retirement situation very quickly here. I am going to go out on a limb. This is the famous last words for policy analysts. But if somebody there can find something I say in my testimony that is inaccurate, point it out to me. I am not using anecdotes, I am not making up numbers. I am citing the Federal Reserve, the Social Security Administration, other sources like that.

Let's start with current retirees. Their incomes are at record highs. That is a fact. Poverty is at record lows, the Census Bureau finds. Poverty in old age is lower than for kids, for working-age people. Three-quarters of current retirees say they can maintain their pre-retirement standard of living. That is up from only 60 percent in the early 1990s. Only five percent of current retirees describe their situation as a retirement crisis.

So we have -- every majority witness is saying we have a retirement crisis. Only 1 in 20 actual retirees says that. So there simply isn't an income crisis among today's retirees. We have targeted issues.

But then let's look at today's workers. They are participating in retirement plans at higher rates than in the past. They are contributing a much bigger share of their salaries to retirement plans than their parents or grandparents did. They are retiring later, boosting both their savings and their Social Security benefits, which are up 32 percent above inflation the past 2 decades. All of this is in the data, with footnotes provided in my testimony.

Common sense tells you --

*Mr. Reed. Thank you, Mr. --

*Mr. Biggs. -- tells you they are not going to be worse off.

*Mr. Reed. And I appreciate, Mr. Biggs, your testimony.

And I do agree that there could be common ground found here, Mr. Chairman, on targeted relief in regards to those that the data shows are in the need of it. And with that, I -- my time has expired.

*Chairman Larson. I thank Ranking Member Reed.

And I would just like to add for the record, though -- and I don't know about all of Mr. Biggs's statistics, but the Federal Government says only 18 percent of those without access to an employer-sponsored plan said they have any retirement savings. And this is -- these are the facts that we are dealing with.

With that, let me recognize Mr. Pascrell from New Jersey.

*Mr. Pascrell. Thank you, Mr. Chairman, for your tireless efforts to protect Social Security. I just want to read from the testimony of Mr. Biggs. He was very forthright, which many folks who testify before us are not.

But you did say, "Our retirement system faces challenges, but with today's retirees doing well financially, across-the-board benefit increases are simply not necessary." And we could debate that all day. We could debate that all day.

But I tried a similar line out -- a line in front of my seniors, and you would think that there was the American Revolution happening all over, as the audience responded to what I was saying and putting out there, just for -- to get their response. I got it, all right. I got it.

So it is one of our greatest success stories -- I think we would all agree with that -- Social Security. And after 86 years, it stands as a monument to decency, dignity, and birthright of hard-working Americans. Yet, without aggressive action, it lurches toward insolvency. Some would disagree with that.

Thankfully, we had the Social Security 2100 Act to provide our seniors with fully-paid-for benefit enhancements. Some would say we don't need that and they don't need that. At the same time, it keeps President Biden's promise to not raise taxes on middle-class families.

This bill eliminates the unnecessary five-month disability benefit, that waiting period. We have had legislation to close this onerous gap for those with Huntington's disease, a dreadful illness. We must ensure, the most vulnerable among us, that they get the help they need without red tape or delay.

We are learning a lot from the sadness of disease that have enslaved us.

For the first time we have updated the legislation to eliminate the Windfall Elimination Provision. This will ensure that our firefighters, our police, our teachers, and other public servants will receive their fully-earned Social Security benefits. You agree with that, don't you?

Don't you agree with that, my good friend, Mr. Biggs? You would agree with that, or not agree with that?

*Mr. Biggs. No, the Windfall Elimination Provision exists for a reason. If you would like me to explain to you what the reason is, I would be happy to. But eliminating it --

*Mr. Pascrell. No, I didn't ask you.

*Mr. Biggs. Okay. Then there you go.

*Mr. Pascrell. You don't have to explain it to me. We both understand why it exists. I want to know, do you believe it needs to be changed so that those folks can participate in the benefits of Social Security?

*Mr. Biggs. I think Congressman Brady's bill does a very fair way of handling that issue, simply eliminating --

*Mr. Pascrell. But it leaves out many of those occupations, doesn't it?

*Mr. Biggs. I don't believe it does.

*Mr. Pascrell. It doesn't include all those occupations I mentioned.

*Mr. Biggs. I believe it covers state and local government employees who are not participating in Social Security.

*Mr. Pascrell. More than 124,000 of my constituents in North Jersey rely on Social Security every month for over 40 percent of senior beneficiaries. Social Security provides a majority of the income.

Shaun, let me ask you this question. Mr. Castle, Social Security's reach extends well beyond our seniors, as over nine million veterans received Social Security benefits last year. How impactful would eliminating the five-month waiting period be for our disabled veterans?

*Mr. Castle. Well, thank you, Congressman. If you suffer a catastrophic disability, the clock already starts ticking on how long it is going to take before you can receive the benefits, to receive the health insurance that comes along with Social Security. And that five-month waiting period, you have already probably lost your health insurance, you have lost your income, your possibility of looking at losing your home.

I am someone who, had it not been for Social Security coming in when it came in, I most likely would have been homeless. And that five-month waiting period is just adding insults to the man or woman who has to step up and say, "I need help. I need to now receive benefits from the system that I have paid into."

You know, this is an earned benefit. This is something you have paid into the system for. So why are you making people wait five months longer to receive the benefit that they have already paid for, that they have earned? This doesn't happen in other situations. This happens here. Why is it still there?

So this would be significant to all people with disabilities. But again, the nine million American veterans who receive the benefit, and the many more who will try to -- you know, who will come along, who will need to receive these benefits that they have paid into. It is very significant for elimination of the five-month waiting period. It doesn't need to be there. It is -- not sure why it is still there. This is something that definitely would need to go away as soon as we can.

*Mr. Pascrell. Thank you, Mr. Castle, and I yield back.

*Chairman Larson. Thank you, Mr. Pascrell.

Mr. Rice, you are recognized.

*Mr. Rice. Thank you, Mr. Chairman. I -- personally, you know, looking at your bill, and the various benefit increases that are in there, I agree with a lot of them, just not across the board. I think we need to have an adequate social safety net. I agree that there are some retirees, although the minority, that, you know, need more help. And that if we did target this, I don't

think anybody on this panel would have much problem with it. If you ask me to state my position on your bill, I will vote no if it comes to a vote, so just to be very clear about that.

With respect to what my good friend, Mr. Pascrell, said about the benefits being fully paid for, well, I guess you could say that was true, that by imposing a new 15 percent tax on income over \$400,000, that you fully paid for the benefits that you are talking about here.

But that ignores the fact that there is such a huge shortfall in Social Security. And I think that the overwhelming majority of Americans and retirees would much rather see us fix the shortfall, so that we don't have -- we are not staring at a cliff in 12 years or less, than expand benefits right now. I think it is completely nonsensical that we would expand benefits, rather than working first to make sure that our promise to our seniors is solid and golden.

I think that is what our seniors would expect from us, at the very least, and that this bill, you know, I am sure, while well-intentioned, is just another attempt to massively expand our entitlement system, our social safety net. It's gone on all through this year, and culminating with the Build Back Better Act, and that we are imposing massive tax increases that will stifle our economy, and putting in place additional entitlement systems that the American people don't really want, and don't really need.

I believe, if you poll the average American citizen, you would find that they would much rather see us make our existing promises good than make new promises that really aren't paid for.

Now, you know, we undertook the Tax Cuts and Jobs Act in 2017, and we cut taxes for businesses in order to try to stimulate our economy. And the effect for two years before the coronavirus was incredible. We saw decade highs in wage growth. We saw record lows in unemployment across every demographic. We saw record lows in poverty, record lows in poverty.

But here today, in addition to what has already been proposed in the Build Back Better Act, where we are going to impose an additional four percent on pass-through income, which is most of the businesses and most of the employers in the country, now, in addition to that, you want to impose another 15 percent tax increase to pay for additional benefits and Social Security, and part of it to close part of the gap, part of the unpaid-for part that we have already promised. So that would be a 20 percent increase in business income for the pass-throughs. And those are the people that employ most of the folks in this country that led to all that prosperity.

I want to ask, Ms. Greszler, what do you think the effect of that would be on small businesses, on businesses that employ most of the people in the country?

*Ms. Greszler. Thank you. We see, actually, so much of the productive activity and the entrepreneurship and the innovation occurs at that higher income levels above \$400,000 and on these small business owners. And so the impact of putting this 12.4 percent tax, combined --

*Mr. Rice. Plus the 3.8 percent --

*Ms. Greszler. And the 3.8 percent, and the surtax on millionaires. And now we are talking about a 63.8 percent tax on people -- on the highest earners in the U.S. That is going to stifle growth. It is going to leak down to lower incomes for everybody across the economy, because it reduces the amount of investment, and does it directly, by taking the taxes away so they can't be invested.

And it also does it by discouraging entrepreneurship and innovation, but --

*Mr. Rice. Thank you, Ms. Greszler. I have got to cut you off --

*Ms. Greszler. Sorry.

*Mr. Rice. -- because I only have 25 more seconds.

I just want to say, you know, Mr. Chairman, you were lamenting the structure of the Senate that requires 60 votes to break a filibuster. But the purpose of the filibuster is to force consensus. That is what it is for, to force consensus before you make a law. And it ought to be hard to make a law.

But rather than -- if we really want to solve the problem, rather than presenting this wish list of expanded entitlements, shouldn't we meet about these things, and try to build a bill on a bipartisan basis that we can come in here and debate, and talk with experts about, and try to make better, rather than putting up a bill for political purposes, and daring people have a vote on it?

Thank you, Mr. Chairman. I yield back.

*Chairman Larson. Well, I thank my good friend from South Carolina for his comments, and would just add that we would love to see the solutions that come forward.

Even Mr. Biggs, in his testimony, says it would be nice if the Republicans didn't sit back and use both a series of procedures in the Senate, and have put forward nothing since the privatization bill failed, and rightfully so. That is the real intent. So at least I commend Mr. Biggs for being forward about it.

And yes, we ought to have that debate. We are having that debate now. We do not believe in privatization. We do not believe that this is the way to go. And those same guarantees that your family received, and Mr. Neal's family received through Social Security, is exactly what it is, a guarantee.

With that, let me recognize Mr. Blumenauer.

*Mr. Blumenauer. Thank you, Mr. Chairman, and I appreciate your tireless efforts on this legislation and on the issue.

We have a clock that is ticking. There was a time when 2034 seemed a long way off. It doesn't any more. And given the challenges we have as a Congress and the Federal Government to act, realistically, that it is a much narrower window, because these are complex issues. They are going to involve a complex answer.

You have offered up a comprehensive approach, which I have cosponsored, because I think it is an important point of departure. I am hopeful that this hearing today, your work moving it forward, that we can identify areas of potential agreement, that we can identify urgent things that need to happen very quickly, and see how the refinement process takes forward.

Retirement is much more complex, and we can have experts tell us that people who are retiring now are actually better off, because of some metrics. But we all know a number of people that we represent who aren't better off, and the averages obscure that dynamic.

I, personally, am very comfortable with some of the financing mechanisms. Raising the cap is something that is long overdue. Looking at benefit enhancement for targeted areas of the population, and bringing people in to share their perceptions.

I have no illusions that the legislation that we are passing here is going to be enacted by the Senate any time soon, but that doesn't mean we shouldn't dive in. That doesn't mean we shouldn't have the debate. It doesn't mean we ought to debate the trade-offs.

One of the things that is so vexing for me is that people are confident that somehow the United States is the outlier. The United States is the only major industrialized nation that cannot provide adequate support for our older citizens, and some of the other safety net items. The United States, I believe, does not have to be the outlier. The United States has the capacity to be able to provide additional resources, and to refine the programs in a way -- if we can target it, so be it.

But from what I see here, with what you have offered up, it is a comprehensive effort that touches all the major points, all the areas of debate that we need to have, and is a comprehensive solution. I look forward to being able to move this forward, to be able to have colleagues on the other side of the aisle offer up their recommendations. I don't think they are going to offer up privatization again, but there are suggestions that people have. Let's put them on the table, and move them forward.

But I, for one, appreciate your tenacity in speaking out, in terms of senior citizens, in terms of developing a comprehensive bill that will buy some degree of solvency, and puts all these issues on the table. I appreciate what we are having for the conversation today. The legislation you have is a framework to look at all of these issues, and I look forward to future steps with this subcommittee under your leadership to not let this go.

Thank you, Mr. Chairman. I yield back.

*Chairman Larson. Thank you. Mr. Arrington --

*Mr. Arrington. Mr. Chairman, thank you, and mostly for being willing to put something out there. And I do give you credit for that. And you are a gentleman, and I -- any comments I make that will be probably quite harsh, with respect to the policies, is in no way a reflection of what I think about your motives, because I think you want to do something to fix this.

*Chairman Larson. I am good.

*Mr. Arrington. Okay? That said, I appreciate you introducing my seniors, 126,855, into this discussion. These are my friends, these are my parents, these are my parishioners at church. These are the grandparents of my children's friends at their elementary school. And here is my message to them, since we introduced them into the conversation -- and I am glad we did, because I think we should be having the picture of our seniors when we are doing these exercises.

But we also ought to have a picture of our children, and the next generation, because what we do and how we work to solve problems will have an impact on them. And they are generally left out of the debate and the discussion.

But to my seniors in West Texas, let me say thank you for your contributions to this, the greatest country on the face of the Earth and in the history of the world. You must have -- you must feel like, some days, that you woke up in a very different country than the country you grew up in, to hear cries for defunding the police, Socialism being mainstreamed, to watch an agenda in their nation's capital that taxes American competitiveness, that spins us into incalculable debt and inflation, that expands government dependency and the welfare state, and the poverty trap that bails out unions and broke Democrat states and cities, that pays for a radical Green New Deal climate agenda, while destroying our energy independence and running up energy costs for working families. You must feel like you woke up in a very different America many days, if not most days.

Now let me tell you something about this bill. Its title is the Social Security 2100 Act. But I can look every one of you in the eyes and say this bill, like the Democrat tax-and-spend bill, is a progressive, partisan, expansionist, legislative proposal that is going nowhere.

And I do believe our chairman wants to solve it. I do believe, if we got in a room and had a productive exercise, where we didn't duck the tough issues, as Mr. Biggs said, and, as he said, we all swallowed a little bit of the stuff that we didn't like to come up with the real solution, I believe this chairman would be part of that discussion, if not leading it. But this piece of legislation only prolongs the inevitable, and it makes it a more expensive proposition to fix. It makes it more complicated to fix.

I would also tell my seniors -- and I would look them deep into their eyes -- and I would say, contrary to the title of the bill, Social Security 2100 Act, this does not sustain this much-needed safety net for you through the end of the century. It gives you a measly four years of an extension, four years. Not 66 years, but to 2038. And after we -- after in this bill you make new promises, instead of just working together to find solutions to the existing unfunded liabilities and the targeted problems that we all know exist and that we need to fix, this will make it far worse.

So let me get to the concerns of my seniors. They don't only want our government to do good by them, by our veterans, and by all of the citizens where we have made promises, but by making promises in addition to the ones that we can't keep, that will make this a more expensive proposition, the next generation will pay more in taxes, and have an even worse solvency crisis on their hands.

So your children and your grandchildren will not be well-served by this. I don't think it is intentional, but I think the title is misleading. I think this may give people the sense of security for the future with respect to this safety net, but it does anything but.

I appreciate the chairman, and I look forward to working with him on something real and bipartisan that is tough for both of us, but that is real and good for the country.

God bless America and go, West Texas.

*Chairman Larson. Well, God bless America, as well. But I would just remind our colleagues that this is what we are doing. This is why they call it a hearing. This is why we have had several of them, and we are waiting very patiently, and we hope that we do see some of your solutions to the problems.

But, as Mr. Biggs points out, they haven't been forthcoming, and seniors can't continue to wait while Congress dillies and dallies. It is our responsibility. It is this committee's.

And the way you do that, believe it or not -- I know this comes as an astounding thing to most members -- but it requires that you vote. So we are more than happy to put this forward, and we will put it forward with the suggestions that you have put in it. And if you want to vote against your own suggestions, as well, that is fair, as well.

So with that, let me recognize the distinguished lady from Alabama, Ms. Sewell.

*Ms. Sewell. Thank you, Mr. Chairman. You have been a steadfast and tireless advocate on behalf of our seniors, and I want to thank you for your leadership.

As co-chair of the Ways and Means Racial Equity Initiative, I am focused on finding ways to make Social Security benefits more equitable for my constituents. Currently, I have over 157,000 Social Security beneficiaries in my district in Alabama, including 36,000 disabled workers, 10,000 widowers [sic], and 16,000 children.

For many of my constituents, the modest Social Security benefit that they receive every month is the only retirement security they have. These seniors in Alabama earned their Social Security through a lifetime of work. As has been said, Social Security is an earned benefit, not an entitlement.

However, many seniors simply cannot make ends meet. Mr. Chairman, there is a fierce urgency of now to honor this sacred trust.

For too long, communities of color have especially been given the lowest benefits.

In places like Birmingham, Montgomery, and the Black Belt of Alabama, underserved communities that I represent often lack access to quality, affordable health care, and the only jobs available to them are physically demanding. So it is not surprising that many workers are forced to claim early retirement, causing a permanent reduction in their Social Security benefit.

In 2019, the average Social Security benefit -- the average for a White beneficiary was \$16,800, while the average benefit for African American beneficiary was only \$14,800. This is

simply unacceptable. Every person, regardless of their economic status, their gender, or their race, deserves to retire with dignity after a lifetime of work.

That is why I am a proud, original cosponsor of the Social Security 2100 Act, which would increase the benefits for disadvantaged communities that are more likely to draw early, and are so often the only source of retirement income [sic].

My question is to you, Nancy Altman. Since the start of the pandemic, America has once again been reminded of the deep racial inequities that exist in access to health care. African Americans saw their average life expectancy drop by three years, which is almost double the rate of White Americans. This is the largest decline in life expectancy since World War II.

However, we still have some opponents of the Social Security 2100 Act who say that Americans are living longer, and therefore, we must simply raise the retirement age. Can you talk about how raising the retirement age would disproportionately impact underserved communities, like the one I represent?

*Ms. Altman. Absolutely. I think the points you make are incredibly important. Raising the retirement age, there are -- the highest-paid CEOs may be living longer, and we sort of snarkily say they live longer, so lower-income people have to work longer. Raising Social Security's retirement age is mathematically indistinguishable from a six-and-a-half percent across-the-board benefit cut, and the benefits already are too low. So it is very, very important that Congress not raise the retirement age further.

There are a number of provisions in the 2100 Act that will help people of color. Part of what makes Social Security so strong is that it offsets, to some extent, the discrimination and disadvantages that people of color, women, the LGBTQ community, and others suffer in the workplace.

So the idea is to strengthen Social Security, expand the benefits, certainly not raise the retirement age, which is going in the exact opposite direction.

*Ms. Sewell. Well, thank you very much.

To Ms. Cruz, you know, Social Security has especially been vital to women and communities of color, who often rely more heavily on its benefit, due to inequities they experience.

Can you say more about how expanding Social Security will help these individuals and their families?

*Ms. Cruz. Thank you. Thank you for the question. Well, I think many Black and Brown women across our country often times have to choose between placing food on their table and medications. So I think, by expanding benefits, our populations would be able to prevent chronic illnesses that are keeping them in hospitals. And this way they would stay healthier than they are today.

Unfortunately, with the benefits they have today, often times they can't afford fruits and vegetables, which are vital for our health. Often times, month to month, they have to choose between buying their medications or getting their food.

*Ms. Sewell. Well, thank you so much.

Mr. Chairman, it is urgent that Congress acts now, and I want to thank you again for your leadership on this issue. Social Security is an imperative, not only for this generation, but for future generations, as well. It is the civil rights struggle of this generation.

*Chairman Larson. Thank you, and Mr. Estes is recognized.

*Mr. Estes. Well, thank you, Mr. Chairman, for holding this very important hearing on a topic that is important for all Americans. And thank you for all our witnesses for joining us today.

I think all of us here know how crucial it is to preserve and protect Social Security. But these changes should be not done at the expense of the American people. Social Security 2100, on top of tax hikes and the reckless trillions of dollars of spending included in the Democrats' spending bill will burden taxpayers and our economy.

In addition to the harm that this bill would have on individuals, I have serious concerns over the harm it would have on small businesses. In fact, just this morning, I received a letter from the National Federation of Independent Businesses opposing the Social Security 2100, and the harm that it would cause to small businesses.

Mr. Chairman, I ask unanimous consent to submit this letter for the record.

As I have said before, it is not just the current generation that will carry this weight, but will be passed on to generations of our kids and grandkids.

The best solution to Social Security reform is to work across the aisle to reach a sound, bipartisan agreement. There are many efforts to improve Social Security that have already been proposed by Republicans. I have introduced one reform that would close the glitch that doesn't allow widowed individuals to be eligible for Social Security until the day she applies, and instead makes a widow eligible the day her spouse passes. The first thing on Americans' minds when faced with the loss of a loved one shouldn't be calling the Social Security Administration.

This and many other needed bipartisan reforms are modernizations that should be taken up immediately.

The current proposal we are discussing today would not fix Social Security for the long term, but expand an already broken system. We shouldn't be talking about expanding Social Security before we come to an agreement on how to fix it.

I look forward to working with my colleagues on both sides of the aisle to strengthen Social Security, and create lasting change for future generations of Americans.

Ms. Greszler, temporary expansions like those in 2100 are a back door to permanent tax increases. You know, after the House passed BBB, how would a combination of these two massive spending packages hamstring the financial situation of everyday Americans, specifically the middle and lower class?

*Ms. Greszler. Well, it would result in just astronomically high marginal tax rates, almost 64 percent.

And I think that the importance here is to have an honest discussion about what the true tax increases that are necessary here would be, and then Americans can decide whether they want a bigger program, bigger benefits, higher taxes, or a smaller, better-targeted one.

We know, just from the Social Security trustees, that to make the program solvent without any of the benefit increases that are included in this bill would require a 15.8 percent tax. That is going to take almost \$15,000 from a typical household with 4 people in it. That is a significant chunk of money.

People need to realize, combined with the BBB and paying for this liberal agenda, you inevitably have to get down to taxing the lower and middle class. You simply cannot do it -- it is mathematically impossible, even if you confiscate 100 percent of the earnings of high-income earners, you cannot pay for the liberals' agenda. You would need to have 3 times to 10 times the level of taxation that we have on lower and middle-income earners now in order to pay for all of this spending.

*Mr. Estes. Yes, it just seems like it doesn't make sense to go through and expand a program that is already having problems by doing tax increases that really don't pay for -- we get, what, four years of extension on the life of the program? And that just doesn't seem to make sense to me.

*Ms. Greszler. No, I think it is as serious as if the Republicans were to come out and say, "Let's cut Social Security taxes," and call that improving Social Security without saying, "Here is how we are going to alter it so that -- make it actually financially solvent in the long run."

*Mr. Estes. Well, thank you.

Mr. Biggs, you know, as I noted in my opening remarks, I have large concerns about the harm that 2100 would place on small businesses. Do you have any thoughts that would -- you would like to share on the impact that this bill would have on small businesses?

*Mr. Biggs. Well, a small businessperson often is self-employed, and they pay the full Social Security payroll tax themselves. So the phasing out of the maximum taxable salary, which is \$142,000 this year, that means that folks in that income range are going to start having to pay an additional 12.4 percent of their salary to Social Security, receiving only a tiny bit back in between. And, you know, they are already paying higher income taxes. They are going to have higher taxes through BBB.

You know, it is worth noting that other countries don't tax high earners for their pension systems like this. Our taxable maximum is already much higher than most other countries. In

places like Canada, you stop paying Social Security taxes at \$60,000. So we shouldn't pretend we are just doing what everybody else does. We -- this would be a big step, and we need to think very carefully about it.

*Mr. Estes. All right. Thank you, and I will yield back, Mr. Chairman.

*Chairman Larson. Mr. Hern?

*Mr. Hern. Mr. Chairman, thank you so much. I want to thank you and Chairman Neal for hosting this hearing today, and for all of our witnesses for being here, as well. This is an important discussion that will not only affect all of us in this room, but all current and future workers, retirees, our children, and our grandchildren, and their children.

Mr. Chairman, if I could, I would like to submit for the record letters of opposition from the National Taxpayers Union, the National Federation of Independent Businesses, and a Twitter thread of opposition from the Progressive Policy Institute.

*Chairman Larson. Without objection, so ordered.

The information follows:

[Mr. Hern, Submission 1 \(National Taxpayers Union Letter\)](#)

[Mr. Hern, Submission 2 \(National Federation of Independent Businesses Letter\)](#)

[Mr. Hern, Submission 3 \(Twitter thread from Progressive Policy Institute\)](#)

*Mr. Hern. Thank you, Mr. Chairman. Mr. Chairman, we all agree that Social Security needs to be prioritized, preserved, and modernized, but a partisan overhaul that barely extends solvency is not the way to do it.

Congress has been kicking the can down the road for years. We are now almost 10 years from insolvency, and this proposal only extends the solvency for four more years. This is not a serious solution or a bipartisan solution.

Ms. Greszler, in your testimony you mentioned a more targeted program for retirees, depending on income, age, and cost of living. How can Congress reform Social Security to target those who heavily rely on it, like you implied?

*Ms. Greszler. I think there actually is a lot of consensus here on what could be done, especially looking at lower-income earners, and those that the program was meant to help the most.

I have proposed gradually shifting towards a flat benefit. It would provide the same benefit -- Ms. Sewell was talking about the difference in benefits there -- same benefit for everybody, regardless of your earnings over time. It would actually increase benefits for about a third of the lowest-income earners, combined with some other things like modernizing the program. You would get to solvency completely.

And then, on top of that, I think that there needs to be an ownership option in there, because we have seen how Social Security is the largest tax that most people pay, and it is taking away the opportunity for them to save on their own, and to pay for the things that are best for them and their family at the time that it is best for them and their family.

What we are talking about here, largely, is making people more dependent on government, government taking more, but then people having to go to the government to get more of what they need for everyday living. It would be better if people could have more money to control on their own, and so allowing individuals to take something that they can own over time. And this would actually benefit lower-income and minority people, who tend to die sooner. And they might not have received anything from Social Security, and might not have anybody who is eligible, and yet they have paid tens of thousands in, and get nothing back. If they had some of that personal ownership, that would be something that might help give a leg up for a child, or a grandchild to pay for education, for somebody to buy a home.

So there are a lot of ways that we could actually make the program more efficient, and to better serve lower-income earners, in particular.

*Mr. Hern. Thank you.

Mr. Biggs, in your testimony you made strong statements about the finances and savings of current and future retirees. How would a bill like the 2100 bill that increases the cost of Social Security programs, and levies additional taxes alter current and future workers' ability to save?

What proposals should we focus on, instead of expanding benefits and raising taxes to sustain solvency of the trust funds?

*Mr. Biggs. Oh, thanks very much, Congressman. If you look at the prior versions of the Social Security 2100 Act, the one that has existed up until this year, they both phased out the taxable maximum wage, which raises the top tax rate by 12 percentage points, but they also increased the Social Security payroll tax, from 12.4 to 14.8 percent.

Now, the effect of that is it both gives low and middle-income households less money to save. They have less money available to put in their IRA or 401(k). But by increasing benefits, it also gives them less reason to save, because you have higher benefits coming from Social Security, and you are going to get that trade-off. The Penn Wharton analysis of the Social Security 2100 Act found, as I am sure the CBO would, that retirement savings decreased because of it. So you are increasing taxes, cutting savings. That is bad for the economy.

What we need to think about is how we get people enrolled in retirement plans, how we get them to decent contribution rates. We have made huge progress to that already. The introduction of 401(k)s in 1978 was a true inflection point in the participation rates of Americans in retirement savings, and the amount they were saving. But we need to finish that job, which means things like auto enrollment, expanding participation for people.

We can get there. We can't get there by just simply saying this whole system doesn't work, it is a crisis, when the data simply don't support that conclusion.

*Mr. Hern. Thank you.

And, for the record, the gentleman from New Jersey, Mr. Pascrell, I agree with you that we need to look at WEP, and how we need to take action for today's firefighters, police officers, and teachers. So I agree with you, we need to work in a bipartisan way on that.

In my final two seconds -- I am over? Mr. Chairman, I ran out of time?

Thank you again so much for holding this hearing. I yield back.

*Chairman Larson. I thank the gentleman, and I recognize -- Danny Davis is now recognized.

*Mr. Davis. Thank you, Mr. Chairman, and let me thank you for giving me the opportunity to waive onto this very important hearing.

And I have listened rather intently as the discussion has taken place. And I am always interested in additional information and additional research, finding out things that we don't know. But I am also intrigued, because there are things that we do know. And what we do know is that, for most Americans, Social Security is their only retirement plan, and especially for workers of color and women, because they often work in lower-wage jobs.

We also know that Black Americans suffered greater unemployment, financial burdens, and health consequences from the pandemic, making Social Security disability insurance and survival benefit, vital benefits, for the communities that I serve. I do know that there are more than 100,000 residents of my district that, without Social Security, they would have nothing in the way of retirement.

And so I am grateful to Chairman Larson for holding this hearing to underscore the urgency of comprehensive Social Security reform.

And all those Social Security trust funds are fully funded until 2034. The 2100 Act would greatly strengthen Social Security benefits, and lift the boat for all retirees, especially women, and especially and specifically women of color.

And so let me ask you, Mr. Roach, given the fact that African Americans face a persistent wage gap, limited access to employer retirement plans, and disproportionate economic and physical harm from the pandemic, what role does Social Security's progressive benefit formula, disability insurance, and survivor benefits play in the income security of African American families, in particular, and what reforms do you recommend?

*Mr. Roach. Representative Davis, thank you for that question.

The first thing we need to do, in terms of reform, is enact Social Security Act 2100, and that would go a long way in improving the income for low-income people.

And in Illinois, for example -- I know you are from Illinois -- many of our airline workers lost pension money during the bankruptcy of airlines. So I know there is a lot of people who are disadvantaged in the African American community, Hispanic community, and Asian communities that have been disadvantaged right there, in Illinois, where you are at.

But we need to enact this, and we need to improve the minimum wage. The minimum wage is vital to improving the income of low-income people, that they can be self-sustaining.

There is a whole social economic set of principles that need to be changed, and I would love to sit down with you and maybe your staff and discuss those issues. But I think the first thing we have to do is pass 2100, and continue on with the changes that are needed for a complete overhaul of the social economic conditions of the African American community, the Hispanic community, and the Asian community, and all impoverished communities that we currently are experiencing.

*Mr. Davis. Well, let me just agree with you, and say that four years, in my mind, are better than no years.

But Ms. Matsui, could you talk more about how the key elements of the 2100 Act would prevent poverty for elderly women, given that they usually live longer, and the cumulative effects of the gender and racial wage gaps?

*Ms. Matsui. Thank you very much for your question, Representative Davis.

As many people have noted previously, because of gender and racial pay gaps, because women and women of color are overrepresented in jobs that lack retirement savings plans, and because of the racial and gender wealth gaps that are also due to the same trends that undermine retirement security, women of color and women more generally rely on Social Security.

Without Social Security in 2017, over 42 percent of women over age 65 would be poor.

Provisions such as improving the special minimum benefit, improving and making more accurate the COLA, and also increasing benefits for long-time beneficiaries would all reduce poverty for older women of color, and women more generally, which would be a significant improvement for their retirement security.

*Mr. Davis. Well, let me thank you both, and let me thank all of our witnesses.

And I certainly agree with you, Mr. Chairman. We can't keep waiting, because all that we do when we kick the can down the road is continue the suffering of millions of low-income individuals in our country who have reached retirement age, and are barely making it.

So I thank you for this hearing, and yield back the balance --

*Chairman Larson. I thank the gentleman.

*Mr. Davis. -- of my time.

*Chairman Larson. I thank the gentleman, and the gentleman from Virginia, Mr. Beyer, is recognized.

*Mr. Beyer. Mr. Chairman, thank you very much. Mr. Chairman, thank you for your ceaseless, steadfast leadership on addressing the Social Security crisis in America. And thank you for letting me waive on to this committee.

Ms. Altman, thanks for your testimony. As you know, Social Security 2100 strengthens the Social Security Administration's service delivery, including the prevention of the unwarranted closing of field offices.

I represent Northern Virginia, and we closed -- they closed an office in Arlington in 2018, where it was right near the Metro. Every time I was there, there were long lines, and they were the people in our community, I would say, that were most disadvantaged. You didn't see people making \$250,000 standing in that line. It was a very, I thought, shortsighted way to cut costs -- 25,000 beneficiaries, annually, at that time.

How big a difference will the service delivery changes in this bill be for the beneficiaries?

And how important is it that we take these kinds of steps?

*Ms. Altman. Thank you for that question. I think it is extremely important.

The 2100 Act, in addition to expanding benefits, has a number of provisions that improve access, improve service. The one you mentioned in particular: it will be the local communities that are so affected when Social Security offices are closed. They are so dependent on Social Security offices -- they should have a say. It shouldn't be just in the dead of night an office is closed, as what happened in Arlington.

So what the 2100 Act would do is require that people in the local community be consulted, and have time, and know what is going on, so they could talk to the Social Security Administration about it.

It also reinforces the idea that these benefits statements are to be sent. That is another important improvement --

*Mr. Beyer. Great.

*Ms. Altman. -- that will help people make sure the information the Social Security Administration has is accurate --

*Mr. Beyer. So thank --

*Ms. Altman. -- and that they get the benefits they have earned.

*Mr. Beyer. Thank you very much.

And to Mr. Richtman, if you can hear me remotely here, one of the things that my friend, Ms. Greszler, testified about was that Social Security is a bad deal for current and future generations, and that it is a wealth transfer from a younger generations' paycheck to older Americans' Social Security checks.

Having raised four children, I can argue that there was a different wealth transfer from my generation to theirs. But how would you respond to the idea that this is a bad deal for current and future generations, this, which was the largest reduction in poverty in American history when it first went into place?

*Mr. Richtman. Thank you, Congressman Beyer, for that question.

I think one thing that is often overlooked is that younger people are helped by Social Security in some important ways. Let me give you an example.

A 27-year-old worker, right now, with a spouse and 2 children, has a half-a-million dollars in value of disability insurance, has over \$700,000 in value of life insurance. I think it is important that younger people have the full story about what Social Security does for them, not just when they retire, but right now.

And the benefits of this program, I think, have been overlooked as far as younger people are concerned. They have been bombarded for years with a lot of misleading information propaganda, I would call it, about the program being broke -- that there is no money there. None of that is true, by the way. But also, they do need to have a full understanding of the benefits of the Social Security program for them, right now, in terms of life insurance, disability insurance.

A third of Social Security benefits right now go to non-retired workers. A lot of people don't know that. When a younger person becomes aware of the benefits of the Social Security program, it is usually if something bad does happen in the family, someone becomes disabled or someone dies young.

And I think I have heard probably the most eloquent description of the benefits of Social Security for a younger person coming from your chairman, Chairman Neal. I have heard him talk about how, were it not for Social Security, his family could have not survived many years ago.

*Mr. Beyer. Great, thank you. I only have a couple of minutes left. I just also want to challenge the idea that this is bad for small business. Having run a small business for almost 50 years, I can't ever remember once finding the Social Security a burden that we couldn't somehow get by. It is a very small percentage of our overall revenues, even in a business that has lots and lots of people.

With that, my time is up. Mr. Chairman, I yield back.

*Chairman Larson. And I thank the gentleman from Virginia, and I want to thank all of our witnesses for their testimony.

And I guess I am still old-fashioned enough to believe that our democracy in this great republic still works. These hearings are actually where we do get to discuss the vitality of ideas, and we are able to put our ideas forward, debate them, and then do what all congresses should do, take them to a vote, take them to the vote, so the people that you are sworn to serve and represent -- all of those individuals, whether they are represented by Mr. Arrington, or Mr. Blumenauer, or anyone on this committee should know just how many people's lives are

impacted, how much money comes into your community on a regular basis, how much of that money goes directly back into the economy of those very small businesses that Mr. Beyer was just talking about, as well.

And so this is where we have that discussion, in the committee. And a number of our colleagues and I believe them thoroughly.

First of all, I never take anything personally. And this is the give-and-take that should take place in a democracy. And then, once you go through that give-and-take, you vote. And that is the intent of this hearing, and that is the intent of the committee.

The witnesses have been outstanding. And I think the differences are clear. Yet I firmly believe that there is a way forward for this, and the most important thing that we can do is no longer kick the can down the road.

There is a fierce urgency of now, because so many people are suffering. Not the pain that Members of Congress feel, not the pain that the nation's wealthiest one percent feel, but the pain that comes when you look across that kitchen table and people, whether it is your brother, your sister, your mother, your aunt, your uncle, when they look at you, and they say, "Well, yes, I heard all that debate. I just don't want to be a burden."

You are not a burden. You are an inspiration. You are what makes us the great nation that we are. It is why Roosevelt was such a genius when he said that we have to have a great entrepreneurial capitalistic system, but it is not without its faults. And when people, through no fault of their own, get hurt, and get caught up in this great system of ours, it is the responsibility of its government to make sure that there is a safety net, that there is something for people who work hard and play by the rules.

This is not an entitlement. This is an earned benefit that they paid for. Five million of our fellow citizens, five million, get a below-poverty-level check from the wealthiest nation in the world, at a time when the wealth disparity in this country is greater than it has ever been. That is what leads to disaster. That is when a nation doesn't look out for its own. That is what happens when we don't come together.

And understand, even though we have our disagreements, we do the best that we can. And then we vote, and let the public make up its mind.

Thank you again, everybody. I greatly appreciate all of our witnesses and the members here. And with that, this meeting of the subcommittee is adjourned.

[Whereupon, at 3:12 p.m., the subcommittee was adjourned.]

Questions for the Record follow:

[Rep. Sánchez – Amy Matsui Question for the Record](#)

[Rep. Sánchez – Yanira Cruz Question for the Record](#)

Submissions for the Record follow:

[Additional Statement from NCPSSM by Max Richtman](#)

[AFGE](#)

[AFSCME](#)

[National Association of Police Organizations](#)

[NARFE](#)

[AEI Article by Andrew Biggs](#)

[Center for Fiscal Equity](#)