

U.S. Senator Mel Martinez (R-FL)
Aging Committee Hearing on Social Security
Washington, DC
Wednesday, June 17, 2009

Thank you, Mr. Chairman for calling today's hearing. For many Americans, Social Security offers a lifeline when preparing for retirement or living with a disability. Preparing to live on a fixed income can often be worrisome, which is why Americans deserve to know they receive their fair share of Social Security when they retire.

Social Security has been a primary source of income for retirees and disabled Americans for decades. For one-third of Americans 65 years and older, Social Security benefits constitute 90 percent of their total income.

Social Security is safe for today's seniors, but unfortunately, it is in serious danger for our children and grandchildren.

That is why Social Security reform remains a top priority for our nation. For states like Florida, the home to 3.4 million beneficiaries, it is essential.

At risk is the Social Security Trust Fund, which has helped to ensure generations of Americans receive what they have been promised. As the number of Baby Boomers retiring increases, and more Americans begin to receive their share, it's clear the financial foundation of Social Security is weak; there won't be enough money to meet future obligations; and fixing the system is long overdue.

In the 1950s, there were about 16 workers paying for every beneficiary.

But today, there are about three workers to support each person collecting Social Security.

Without some sort of change, by 2016, the government will begin to pay out more in Social Security benefits than it collects in payroll taxes.

By 2034, the Social Security Administration expects we'll have almost twice as many people 65 and over than there are today – 74 million seniors.

And if we don't act now, by 2037, when today's workers who are in their mid-20s begin to retire, the program will only have enough revenues to pay about 75 percent of benefits.

Under current law, Social Security has a total unfunded obligation of more than 10 trillion dollars.

A 2001 White House report on Social Security stated, quote, “As time goes by, the size of the Social Security problem grows, and the choices available to fix it become more limited.” Eight years later, the problem remains unsolved.

There are a variety of plans and ideas that have been proposed to fix Social Security, but unfortunately, Congress has failed to reach consensus.

We need to work together here in Congress and with the President to determine the best elements of the proposals that have been put forward.

I look forward to hearing from our witnesses today and I’m certain they will underscore what we already know – that the longer we wait to take action, the more difficult and expensive the changes will be.

Thank you, Mr. Chairman.

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I would like to introduce my witness, Mr. Andrew Biggs. Mr. Biggs is currently a resident scholar at the American Enterprise Institute. He was previously the Principal Deputy Commissioner of the Social Security Administration where he oversaw SSA’s policy research efforts and led the agency’s participation in the Social Security Trustees working group.