

109th Congress

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SENATE REPUBLICAN CONFERENCE

Rick Santorum, Chairman

Kay Bailey Hutchison, Vice Chairman

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109th Congress

May 26, 2005

Dear Colleague,

This recess packet will enable you to communicate effectively our two themes for the Memorial Day 2005 recess: our record of accomplishment in the 109th congress and our agenda for the future.

At the start of the 109th Congress, Senate Republicans laid out an ambitious agenda. Pledging to provide and promote personal security, economic freedom, greater opportunity, and a more compassionate society, Senate Republicans affirmed the highest values of America and acted upon the mandate they were given in the last election.

Senate Republicans' record of achievement in the 109th congress is remarkable. In the span of four short months, Senate Republicans have passed a budget that keeps taxes low and puts the economy on track to cut the present deficit in half by 2009; passed an emergency supplemental bill to support the troops in the Iraqi and Afghani theatres and the ongoing war on terror; passed class action lawsuit liability reform to end junk lawsuits; passed a highway bill to create jobs and modernize our nation's transportation infrastructure; passed bankruptcy reform legislation which protects individuals and businesses from deliberate abuse of bankruptcy protections; and confirmed many of President Bush's cabinet nominees. Lastly, Senate Republicans have confirmed some of President Bush's judicial nominations, many which had been blocked in the previous Congress. Senate Republicans have much to be proud of and much to take credit for, but Senate Republicans have just begun.

In the near future, Senate Republicans will unveil a comprehensive energy bill that will lessen our dependence on foreign sources of energy, modernize our energy infrastructure, and strengthen our economy. Senate Republicans will address Asbestos Lawsuit Reform in order to provide redress to those affected by exposure to asbestos, protect businesses from frivolous suits, and create a more equitable system for settling asbestos-related claims. For the retirement security of future generations, Senate Republicans will work to save and strengthen Social Security so that every American can retire to the comfortable life he or she has earned. No American should retire into poverty.

In the last election, Americans made clear what they expected from their government. Senate Republicans have worked with Democrats on many issues and look forward to working with Democrats in the future. It is clear, however, that a minority of partisan Senate Democrats will not be a permanent roadblock to the will of the American people and the Senate Republican Agenda.

Enclosed you will find information detailing our achievements and our future agenda items. Please make use of this information as you interact with your constituents and spread our message of accomplishment thus far and our agenda for the future.

Thank you,

Handwritten signature of Rick Santorum in blue ink.

Rick Santorum, Chairman

Handwritten signature of Kay Bailey Hutchison in blue ink.

Kay Bailey Hutchison, Vice-Chair



Senate Republican Conference Agenda

**Republicans are Committed to Providing:
Personal Security, Economic Freedom, and Opportunity
and Compassion for every American.**

Save and strengthen Social Security

Republicans will save and strengthen Social Security by protecting promised benefits for today's seniors and those nearing retirement while offering younger workers increased financial security through a voluntary personal retirement account - a nest egg they can call their own and pass on to their children.

It's your money

Republicans believe simpler, fairer and lower taxes will promote job creation.

Leadership in the war on terror to best defend America

American security is dependent on combating terrorism, promoting democracy worldwide and supporting a well-trained and well-equipped military and their families.

Deliver accessible, affordable and quality health care for all Americans

Republicans will ensure that patients have access to quality and more affordable health care while lowering the cost of health insurance, offering more choices for services and increasing coverage for the uninsured.

Stop abusive lawsuits now

Republicans will end personal-injury lawyers' frivolous lawsuits to save jobs and ensure fair compensation for true victims.

Fight poverty by empowering families in need

Republicans will alleviate poverty and strengthen families first by encouraging an ownership society, providing work opportunities and partnering with faith-based groups, community charities and businesses.

Promote good 21st century American jobs

Republicans will create an environment to grow jobs by less taxation and litigation, sensible regulation, greater research and development, quality education and strong infrastructure.

Lifelong learning for better jobs

Republicans will develop a lifelong approach to education, training and research that prepares all Americans for jobs of the future, promotes access to college and ensures accountability of federal dollars.

Clean energy for jobs and energy independence

Republicans are committed to innovative new technologies to develop America's energy resources that create jobs and reduce our dependence on foreign oil and gas while preserving the environment.

Cut wasteful spending and keep taxes low to create jobs

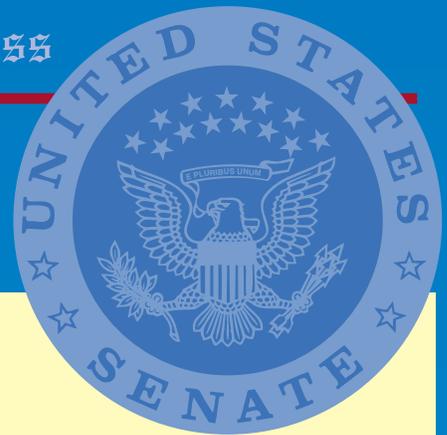
Republicans pledge to create jobs through responsible spending, deficit reduction and lower taxes.

Confirm fair judges through a fair process

Republicans will confirm judges who will follow the law - not make the law - by ensuring timely up-or-down votes for all nominees on the Senate floor.

Protect marriage for the good of families, children and society

Republicans will protect marriage - a core social institution - from redefinition by activist judges.



Achievements

- Budget
- Supplemental
- Bankruptcy Reform
- Class Action Lawsuit Reform
- Highway Bill
- Judicial Nominations
- Executive Nominations

Up Next . . .

- Energy Bill
- Asbestos Lawsuit Reform
- Social Security Reform



Judges





BILL FRIST

U.S. SENATE MAJORITY LEADER • TENNESSEE

FOR IMMEDIATE RELEASE
May 25, 2005

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FRIST FLOOR STATEMENT ON JUDICIAL NOMINATIONS

WASHINGTON, D.C. – U.S. Senate Majority Leader Bill Frist, M.D. (R-TN) made the following statement this morning on the Senate floor:

The confrontation over judicial filibusters is the greatest single constitutional issue to confront the Senate in our lifetime.

That is because this issue involves the relationship between the Senate and the Presidency, and the relationship between the Senate and the courts. It involves all 3 branches of government! In addition, it involves interaction between majority and minority parties within the Senate itself.

The Senate confronts many significant issues every year, but none of them touches the grand institutions of American democracy the way this one does.

The President has the constitutional obligation to appoint judges. And the Senate has constitutional responsibility to offer its advice and consent. For 214 years, the Senate gave every nominee brought to the floor a fair up or down vote. Most we accepted, some we rejected. But all those nominees got a vote.

In the last Congress, however, the minority leadership embarked on a new and dangerous course. They routinely filibustered 10 of President Bush's appellate court nominees and threatened filibusters on six more. Organized and fueled by the minority leadership, these filibusters could not be broken. By filibuster, the minority denied the nominees a confirmation vote and barred the full Senate from exercising its obligation to advise and consent.

The purpose of the filibusters was clear. It was not only to keep the President's nominees off the bench, it was to wrest effective control of the appointments process from the President. Anyone who did not pass the minority leadership's ideological litmus tests would be filibustered. That meant a minority would dictate whom the President should appoint if he expected the nominee to get a confirmation vote. This was a power grab of unprecedented proportions. And with more filibusters threatened for this Congress, the power grab would become even bolder and more entrenched.

Fundamental constitutional principles were called into question. These included the separation of powers, checks and balances, the independence of the judiciary, and negation of the Senate's right to advise and consent.

The minority claimed the right to impose a 60 vote threshold before a nominee could pass muster, for that is the number needed to invoke cloture and break a filibuster. The Constitution doesn't say that. It only requires a majority to confirm. But for a minority spinning novel constitutional theories, the real Constitution took a back seat.

The Republican majority tried at first to invoke cloture on each of the judicial nominees. But driven by the minority leadership, the filibusters proved resilient to cloture. Then, we introduced a filibuster reform proposal and took it through committee. But it died without action because it was sure to be filibustered itself. So, we turned to the voters in November, and the election strengthened our majority. But the minority ignored the election and dug in its heels.

Faced with the certainty that the minority would expand its filibusters, Republicans faced a critical choice. Either accept the filibuster power grab as the new standard for the Senate, or restore the tradition of up or down votes for the nominees. We as Republican Leadership decided to stand for a principle. And that principle is clear. It is clear without trimming or equivocation: every judicial nominee brought to the floor shall get a fair up or down vote.

The Constitution specifically gives the Senate the power to govern itself. And we were fully committed to use that power to establish a process by which a confirmation vote would occur after reasonable debate. This approach has a lot of precedent. The minority attempted to demean it by calling it the “nuclear option.” But the nuclear option is what they themselves detonated with their filibuster power grab initiated in the last Congress. The proper term for our response is constitutional option, because we would rely on the Constitution’s power of self governance to restore Senate traditions barring judicial filibusters.

Against their unprecedented power grab by filibuster – their nuclear option -- the constitutional option is the only effective certain antidote.

The moment of truth was to have come yesterday on May 24. But action was preempted by an agreement among seven Republicans and seven Democrats to forestall use of the constitutional option in exchange for confirmation votes on just three nominees and a promise that filibusters would only occur in “extraordinary circumstances.” I was not a party to that agreement nor was the Republican Leadership. It stops far short of guaranteeing up or down votes on all nominees. It leaves open the question of whether Miguel Estrada – who has been filibustered by the minority seven times in the last congress – would be an “extraordinary circumstance.”

Now we move into a new and uncertain phase. Today the Senate will confirm Priscilla Owen to the Fifth Circuit Court of Appeals. Several more of the nominees will follow her. Priscilla Owen, a gentle woman, accomplished lawyer and brilliant Texas jurist was unconscionably denied an up or down vote for more than four years. The minority distorted her record, cast aspersions on her abilities, and rendered her almost unrecognizable. She had the fortitude to see the process through. And very late, but at long last, she will be confirmed by an up or down vote.

- Without the constitutional option, Priscilla Owen would never have come to a vote. Neither would any of the other nominees.
- Without the constitutional option, judicial filibusters would have become a standard instrument of minority party policy. The agreement among the 14 is based on the trust that casual use of judicial filibusters is over.
- Without the constitutional option, the minority would have adhered to the path it was on and deal brokers would have had no deal to broker.

I am now hopeful but wary. As Ronald Reagan was fond to say, trust but verify. If nominees receive up or down votes and the sword of the filibuster is sheathed, then the Republican Leadership can be proud that its focused direction on the constitutional option arrested a dangerous and destructive trend. If filibusters again erupt under circumstances other than extraordinary, we will put the constitutional option back on the table and move to implement it.

Abraham Lincoln once said that when it is not possible to do the best, it is best to do what is possible. Standing firm for the principle of fair up or down votes, we have made real progress. That is something we all can celebrate. And that principle will be our guidepost as the rest of this great constitutional drama unfolds.

JUDGES: FAIR, UP-OR-DOWN VOTES

Priscilla Owen finally received the confirmation vote she deserved after 4 years of partisan obstruction and will serve on the U.S. Court of Appeals for the 5th Circuit.

- Justice Owen waited more than 4 years before receiving an up-or-down vote.
- Now we expect fair, up-or-down votes for Janice Rogers Brown (D.C. Circuit), William Pryor (11th Circuit) and all other qualified nominees.
- Republicans will continue to advance the advice-and-consent principle and insist on up-or-down votes for all nominees who reach the floor.



Democrats' unprecedented obstruction of qualified judicial nominees must stop.

- Never before the 2003 Democrat filibusters had a judicial nominee with clear majority support been denied an up-or-down vote on the Senate floor.
- In 2003, the Democratic minority unilaterally changed the rules to require a new confirmation standard of 60 votes, instead of 51, for certain judicial nominees.
- A minority of Democrats used partisan filibusters to block votes for 10 qualified, majority-supported appeals court nominees, and threatened 6 others.

The constitutional option remains on the table if Democrats continue filibustering.

- Republicans support a return to more than 200 years of Senate precedent ensuring fair treatment for all judicial nominees.
- Before 2003, Democrats and Republicans rejected using the judicial filibuster to block majority-supported nominees, out of restraint and respect for the institution.
- Republicans are committed to protecting the system of checks and balances and the separation of powers, including an independent judiciary.

FILIBUSTER FACTS:

All Filibustered Nominees Are Well Qualified and Majority Supported.

- Every one of the filibustered judicial nominees has bipartisan, majority support and is well qualified to serve on the bench.
- All will make good judges who will follow the law, not make the law.
- Republicans will oppose Democrats' attempts to use judicial philosophy to block votes on qualified nominees.

Republicans' Goal in This Debate Always Has Been Fair, Up-or-Down Votes.

- Senate leadership devoted unprecedented debate time to judicial nominations in the 108th Congress, trying to restore the Senate tradition of up-or-down votes.
- Republicans have sought only one thing in the debate over the judicial filibusters – a fair, up-or-down vote for all nominees who reach the floor.
- When asked how many hours Democrats needed to debate Priscilla Owen, Sen. Harry Reid said, "There is not a number in the universe that would be sufficient." (*Congressional Record*, April 8, 2003)

Appeals Court and Supreme Court Nominations Targeted for Filibusters.

- Democrats' judicial filibusters have targeted influential appeals courts nominations and threaten future Supreme Court nominations.
- Democrats' rhetoric that they approved the vast majority of Bush's judges is misleading – these are mostly lower-court nominations.

Bush had the lowest first-term appeals court confirmation rate of any modern president.



Justice Priscilla Owen

5/9/2001	Nominated to U.S. Court of Appeals for the Fifth Circuit by President Bush
3/27/2003	Passed out of Senate Judiciary Committee with favorable recommendation
5/1/2003	Democrats refused to allow vote on nomination (cloture denied 52-44)
5/8/2003	Democrats refused to allow vote on nomination (cloture denied 52-45)
7/29/2003	Democrats refused to allow vote on nomination (cloture denied 53-43)
11/14/2003	Democrats refused to allow vote on nomination (cloture denied 53-42)
5/25/2005	Confirmed by the Senate to the U.S. Court of Appeals for the Fifth Circuit after more than 4 years of partisan obstruction.

- Justice Priscilla Owen has served on the Supreme Court of Texas since 1995. In 2000, Justice Owen was overwhelmingly reelected to a second term on the Supreme Court, receiving 84 percent of the vote. During Justice Owen's 2000 re-election bid, every major newspaper in Texas endorsed her.
- Before joining the Texas Supreme Court, Justice Owen was a partner with the well-respected Texas law firm of Andrews & Kurth. She practiced commercial litigation for 17 years.
- Justice Owen earned a B.A. *cum laude* from Baylor University and graduated *cum laude* from Baylor Law School in 1977. After graduating from law school, Justice Owen earned the highest score in the state on the December 1977 Texas Bar Exam.
- Justice Owen has significant bipartisan support, including from three former Democrat judges on the Texas Supreme Court and a bipartisan group of 15 past Presidents of the State Bar of Texas.
- Justice Owen has devoted much of her life to serving her community. For example she has served as the liaison to the Texas Supreme Court's Mediation Task Force and to statewide committees on providing legal services to the poor and pro bono legal services. Justice Owen was also part of a committee that successfully encouraged the Texas Legislature to enact legislation that has resulted in millions of dollars per year in additional funds for providers of legal services to the poor. Justice Owen is a member of St. Barnabas Episcopal Mission in Austin, Texas, where she teaches Sunday School and serves as the head of the altar guild.
- Some interest groups have criticized Justice Owen's rulings in a small number of cases interpreting the "judicial bypass" provisions of a Texas parental notice abortion statute. By law, the Texas Supreme Court only hears cases arising under this law when lower courts have already refused to grant a judicial bypass to the notification statute. In some of those cases, Justice Owen agreed with the lower courts and voted to require notice to a parent. On other occasions, she voted to grant an exception to the parental notice requirement or to remand based on the facts of the case. She thus has voted to grant a judicial bypass more readily than the lower-court judges in these cases. Justice Owen was in the majority in 11 of the 14 cases. None of Justice Owen's opinions have questioned Roe v. Wade or the underlying rights that case recognized.

Social Security



FUNDAMENTAL POINTS TO STRESS WHEN DISCUSSING SOCIAL SECURITY

At first glance, Social Security reform is a complex and multi-dimensional issue. You might encounter citizens with questions that are often difficult to answer in simple, understandable language. Below is an outline to help you talk with your neighbors, based on what has worked best for your Senate Republican colleagues in previous listening sessions on Social Security.

Social Security Has To Be Fixed:

- Under the current system, your payroll taxes are immediately used to pay benefits for today's retirees.
- This "pay-as-you-go" system works when many people are paying in and few are collecting benefits. Such was the case in the 1950's when 16 workers paid into the system for every beneficiary.
- As a result, seniors are living longer and collecting more benefits. As a result, there are fewer workers paying into the system per retiree: 3.3 to be exact.
- In the future, there will be less than 2 workers per retiree. Under these conditions, the current system simply can't work.

The Details:

- In 2008, the first Baby Boomers will start collecting retirement benefits. The current surpluses will quickly dwindle and then turn to deficits.
- By 2018, Social Security will begin paying out more than it collects in taxes. The deficits will grow very large, very fast.
- If nothing is done, by 2042, benefits must be cut by one-quarter across the board, with more cuts to follow. Instead of cutting benefits by one-quarter, the payroll tax could be raised by one-third.
- If we continue postponing solutions, our only alternatives will be large tax increases or benefit reductions.

The Longer We Wait, the Worse It Becomes:

- Fixing Social Security is a challenge today. If we wait, it will become a crisis. The Baby Boomers will retire, the system's surpluses will disappear, and the only options will be large tax increases or benefit cuts.
- Whatever tough choices are involved today will only become tougher if we put off action.
- If we act today, changes can be phased in gradually over a number of years. If we fail to act today, our children and our grandchildren will be faced with changes that are large, abrupt, and unpleasant.

What About the Trust Fund?

- Surplus Social Security taxes are credited to the trust fund, but the taxes themselves are spent on other government programs.
- When it comes time to repay the trust fund, the government must raise taxes, cut spending, or run a budget deficit—exactly the same choices as if we didn't have a trust fund at all.
- The trust fund doesn't contain real savings. It is a collection of IOU's the government has written to itself.
- These IOUs do physically exist: as a set of IOU documents in a three drawer file cabinet in Parkersburg, West Virginia.
- When it comes to paying benefits, the trust fund is an empty promise.

How Personal Retirement Accounts Work:

- Workers could invest a portion of their Social Security taxes in an account similar to an IRA. Accounts would be managed by an independent agency like the Federal Reserve to avoid political interference or high Wall Street management fees.
- Investments would be limited to a diversified, low-cost mix of bond funds and stock funds. Workers couldn't take their accounts to Vegas to shoot dice.
- Remember that these accounts would be voluntary. For those first-time investors who choose to participate, it would be a simple, low-risk opportunity to build a nest-egg.
- At retirement, account balances would pay a portion of a worker's Social Security benefits, with the rest coming from traditional programs.
- Retirees couldn't draw down their balances all at once; a minimum income must be guaranteed.
- Personal accounts alone won't fix Social Security; other changes will be needed. However, they are critical to any effective plan to put Social Security on a strong foundation of real savings.
- All Federal employees—including myself—participate in such a program. It's called the Thrift Savings Plan (TSP). I believe if it's good enough for Congressman, it's more than good enough for the American people.

Personal Retirement Accounts: A Better Way to Save

- Personal accounts would be a better way to save for Social Security's future.
- Personal accounts would "take away the cookie jar" from Congress; surplus Social Security taxes would be saved to pay benefits, not siphoned off to pay for other things.
- Personal accounts put money where workers can watch it and the government can't spend it.
- This is about getting your money out of Washington and into your personal accounts that will build your retirement nest-egg.

Ownership:

- Under today's Social Security, there's no account holding your retirement money. With personal accounts, you will have a nest-egg in your own name, belonging to you.
- Personal accounts give all workers ownership. When people own things, they pay more attention and are more engaged in decisions that affect their lives.
- Never forget that this money does not belong to Washington politicians, this is your (your children and your grandchildren's) money for your (their) retirement; personal accounts build a nest-egg for you (or your children and your grandchildren).

Returns and Benefits:

- Personal accounts would give workers the chance to earn higher rates of return—and receive higher benefits—than the current system can afford to pay.
- Workers could choose to invest only in guaranteed government bond funds, or a mix of corporate bond funds and stock funds if they wished to take more risk in exchange for a higher return.
- However, highly risky investments would not be allowed. Plus, accounts would automatically shift from stocks to bonds as workers neared retirement, so a stock drop just prior to retirement wouldn't have great effect.

Social Security Reform: Important for Today's Seniors

- For current and near retirees, nothing will change for you; your benefits will be paid, on time and in full, with no changes whatsoever.
- Seniors should be part of the debate. Every system can be improved, and seniors' knowledge and experience is essential if Social Security is to be saved and strengthened for future generations.
- For retirees and near-retirees, the debate isn't about their own benefits, it's about the kind of system they want their children and grandchildren to have – one that is stable, funded, and growing, or one that will collapse before your children retire.

Conclusion:

- A Social Security system that was designed for the world of 1935 will not work in the world of 2035 and beyond. Changes must be made, and the sooner we act, the more successful they will be.
- If Social Security were being created from scratch today, we would surely include a way to help everyone build up a nest egg that is owned by workers and couldn't be spent by politicians.
- A reform plan incorporating personal retirement accounts builds on the values of Social Security's past, but modernizes the program for the future.

Strengthening Social Security For Those In Need

Recent Presidential Action:

Recently In A Primetime News Conference, The President Laid Out His Vision For Moving Forward With Bipartisan Social Security Reform. The American people understand that Social Security is headed for serious financial trouble and the President believes it is our duty to make Social Security permanently solvent. The President also believes it is our responsibility to improve the system by directing extra help to those most in need and making it a better deal for younger workers.

As Congress Begins Work On Legislation, The President Outlined Three Goals: ensure that future generations receive benefits equal to or greater than today's seniors; protect those who depend on Social Security the most; and replace the empty promises being made to younger workers with real money.

The President Made Clear That Some Things Will Not Change. Seniors and people with disabilities will continue to get their checks, and all Americans born before 1950 will also receive their full benefits.

Background: A Reformed System that Strengthens Social Security For Those In Need

Future Generations Receive Benefits Equal To Or Greater Than Today's Seniors. Under any plan to reform Social Security, future generations should receive benefits equal to or greater than the benefits that seniors receive today.

- **Millions Of Americans Depend On Social Security As A Primary Source Of Income.** As a matter of fairness, the fundamental promise of Social Security must be kept.

Protect Future Generations Who Depend on Social Security The Most: President Bush has made it clear that we must provide extra help to those future seniors who need it most.

- **Benefits Should Grow Faster in the Future For Low-Income Workers Than For Those Who Are Better Off.** Under a reformed system, low-income workers should receive benefits that grow faster than inflation. In order to return the system to solvency, the benefit increases for wealthier seniors should grow no faster than the rate of inflation. This would be accomplished by adopting a sliding-scale benefit formula, similar to the Pozen approach.

- **Eliminate Poverty Among Future Seniors.** Today, roughly two million retirees who paid into Social Security their whole lives are collecting benefits that leave them below the poverty line. The President believes we should make good on a great national commitment: if you work hard and pay into Social Security your entire life, you will not retire into poverty.

- **This Reform Would Solve Approximately 70 Percent Of The Funding Problems Facing Social Security.** A responsible, reasonable and sustainable rate of benefit growth for wealthier seniors will help return the system to fiscal balance and would enable us to help those seniors in the greatest need.

Replace The Empty Promises Being Made to Younger Workers With Real Money. Younger workers should have the option of putting a portion of their payroll taxes into a voluntary personal account which will allow them to build a nest egg that belongs to them. This money will give workers an opportunity to receive a higher rate of return than the current Social Security System can provide.

- **Voluntary Personal Accounts Should Include The Risk Free Option Of Investing In Treasury Bonds.** Voluntary personal accounts should include an investment option that allows workers to invest in U.S. Treasury bonds, which have no risk. Workers who have reservations about investing in the markets will still be able to rely on a Social Security check that is equal to or higher than today's retirees.

The President Will Continue To Work With Congress To Find A Solution To Social Security That Is Sensible, Permanent And Fair. Social Security is too important to pass this problem on to the next generation. The President has committed to work with both the House and Senate in a bipartisan way as they take the next steps in the legislative process.

Setting The Record Straight: The President's Social Security Reform Plan Helps Low-Wage Retirees

Myth: Low-Wage Retirees Are Hurt Under The President's Plan

Fact: Low-Wage Retirees Are Helped The Most Under The President's Plan

A recent paper from the Center on Budget and Policy Priorities argues that vulnerable Americans such as widows, divorced individuals and surviving children would be hurt under the President's plan to restore Social Security to permanent solvency. In fact, these groups would be among those most aided by the President's proposal.

Table 1: Monthly benefits to beneficiaries in the lowest income quintile, aged 62-76, constant 2005 dollars

	2004	2022	2050	2061
Progressive growth without accounts	\$514	\$702	\$804	\$854
Progressive growth with accounts	NA	\$702	\$838	\$948

Source: SSA Office of Policy, MINT model

Under Social Security, individuals sometimes receive benefits based upon their spouses' earnings record rather than their own. The CBPP argues that low-wage individuals could be impacted by progressive benefit growth if their spouse had higher earnings. This ignores the fact that even these individuals would experience real benefit growth versus today's levels as well as the opportunity to increase benefits further through personal accounts. As Table 1 shows, real benefits for the bottom 20 percent of lifetime earners will continue to grow in real terms, with even faster expected benefit growth when personal accounts are included.

It should also be remembered that the lowest-earning workers who retire on their own earned benefits are at greater risk of poverty than lower-earning workers who retire with benefits based on the earnings of a higher-income person. The President's proposal would not only provide for faster benefit growth for lower-income workers, it would also help to ensure that the lowest-income *households* receive the fastest benefit growth.

CBPP cites three categories of such individuals they claim would particularly be harmed: widows, divorced women, and surviving children.

CBPP focuses only on one part of the President's proposal – progressive benefit growth – while ignoring the essential role played by personal accounts. Under personal accounts, the largest benefit increases often go to the most vulnerable Americans, such as widows and divorced individuals. Accounts can be passed on or split at death or divorce, giving widows, divorced women and surviving children the opportunity to build larger account balances.

Note: As the President has pointed out, progressive benefit growth is not sufficient by itself to restore Social Security to permanent solvency. Other steps must be taken to fix Social Security, which could affect future benefit estimates. The benefit estimates produced herein are intended to respond to inaccurate claims that certain individuals would be adversely impacted under the proposals outlined to date.

Widows

Under the President's proposal, Social Security would for the first time enable workers to leave a bequest at the time of their death. Workers choosing personal accounts could pass the balance on to their spouse should they die before exhausting the account. These inherited account balances can significantly increase the benefits received by widows.

Table 2: Monthly benefits to widows aged 62-76, constant 2005 dollars

	2004	2022	2050	2061
Progressive growth without accounts	\$979	\$1324	\$1473	\$1551
Progressive growth with accounts	NA	\$1326	\$1682	\$2019

Source: SSA Office of Policy, MINT model

In 2050, total expected benefits to widows would be roughly 9 percent above the *scheduled* (promised but unfunded) level, and fully 51 percent higher than currently payable. Likewise, in 2061 widows could expect to receive total benefits 19 percent higher than scheduled and 77 percent higher than payable. (Table 2)

Under currently payable benefits, in 2050 roughly 3.9 percent of widows would live in poverty. Under progressive benefit growth plus personal accounts, this would be reduced to just 1.1 percent, lifting over 180,000 widows out of poverty. This poverty rate is even lower than under currently scheduled benefits, which cannot be afforded. Effects are similar for the year 2061.

Divorced Individuals

Under current law, individuals who divorce prior to 10 years of marriage have no entitlement to benefits based upon the former spouse's earnings record. The National Center for Health Statistics reports that marriages ending in divorce have a median length of just 7 years, and fully one-third of all marriages end prior to the 10 years needed for benefit eligibility. This fact undercuts the CBPP argument that large numbers of low-wage divorced individuals would be affected, since many would not have a right to benefits on their former spouse's earnings in any case.

More importantly, under the President's proposal, personal account assets would split at the time of divorce, even if the marriage ended prior to 10 years. These account assets would have time to grow and could supplement traditional benefits received at retirement.

Table 3: Monthly benefits to divorced individuals age 62-76, constant 2005 dollars

	2004	2022	2050	2061
Progressive growth without accounts	\$948	\$1198	\$1326	\$1409
Progressive growth with accounts	NA	\$1199	\$1473	\$1720

Source: SSA Office of Policy, MINT model

In 2050, total expected benefits to divorced individuals would be 10 percent higher above the scheduled (promised but unfunded) level, and 51 percent higher than the currently payable. Likewise, in 2061 divorced individuals could expect to receive total benefits 16 percent higher than scheduled and 70 percent higher than payable. (Table 3)

Under currently payable benefits, in 2050 roughly 5.6 percent of divorced individuals would live in poverty. Under progressive benefit growth plus personal accounts, this would be reduced to just 2.0 percent, lifting almost 270,000 divorced individuals out of poverty. This poverty rate is even lower than under currently scheduled benefits, which cannot be afforded. Effects are similar for the year 2061.

Surviving Children

The computer model used to analyze benefits for widows and divorced individuals does not include children, and so precise estimates cannot be produced. However, the following is worth noting. First, the children of low-wage parents would receive the same benefit growth as scheduled under current law.

Second, and more importantly, all children would be eligible to inherit personal account assets accumulated by deceased parents, which could easily top \$100,000 for a two-earner couple. Children would inherit these account assets *without any reduction to their traditional Social Security benefits*. These inherited account assets could give surviving children a head-start in life, paying for college tuition, establishing a small business or making a down-payment on a first home.

Summary

The paper by CBPP criticizing the benefit effects of the President's Social Security proposals has focused – curiously for an organization opposed to personal accounts -- on the very groups who would gain the most from a proposal to establish personal accounts.

The President has proposed that benefits grow fastest for the lowest-income Americans, who would thus receive significantly more than the current Social Security system can afford to pay over the long run. At the same time, the President has proposed voluntary personal accounts, which would provide for additional benefit improvements for the very groups discussed in the CBPP paper.

The examples in the CBPP paper thus highlight the role that personal accounts can play in raising the incomes of Americans who remain vulnerable to poverty under the current Social Security structure. CBPP appears to have inadvertently made a two-part case in support of the President's proposals, by highlighting the need for: 1) progressive changes to fix Social Security now, to forestall the across-the-board reductions that would occur under current law, and 2) the desirability of voluntary personal accounts to provide for better treatment of groups vulnerable to poverty.

Strengthening Social Security For Today's Younger Workers

Recent Presidential Action

Recently, President Bush Visited Northern Virginia To Meet With Younger Workers Who Are Concerned About The Future of Social Security. The President has called for allowing younger Americans the option of safely investing a portion of their payroll taxes in voluntary personal accounts that they own and control within the Social Security system.

Background: Younger Workers Have The Most To Gain From Social Security Reform

Younger Americans Face A Stark Reality.

- **There Is A Narrow Window To Fix Social Security For Today's Youth.** In just three years, the first Baby Boomers will begin to retire, putting added strain on the system. In 2017, the system will begin paying out more than it takes in. This will ultimately result in drastically higher taxes, reduced benefits, increased debt, or cuts to other critical government programs.
- **The Government Has Borrowed \$1.7 Trillion From The Social Security Trust Fund.** The government has borrowed the total value of the Trust Fund to pay for other government spending. Beginning in 2017, the government will have to begin backing up these paper promises with real money.
- **A Permanent Solution Is Needed For Today's Youth.** A band-aid solution of quick fixes and small tweaks will only pass this problem on to the next generation.

Younger Americans Support The President's Social Security Plan.

- **Younger People Have Little Faith In The Current Social Security System.** A recent national poll by Harvard University's Institute of Politics (IOP) found seven out of ten American college students did not believe Social Security would pay out benefits when they retire.
- **Today's Younger Workers Want A Nest Egg.** Younger workers have seen how the government has used their Social Security taxes to fund other programs, and they understand that voluntary personal accounts offer a better way to fund Social Security. A recent Fox News poll found 84 percent of Americans ages 18 to 55 believe they should have the option of creating a voluntary personal account within the Social Security system.
- **Younger Workers Already Belong To The Investor Class.** Younger workers today are more familiar with investments than previous generations. Through 401(k) plans offered by employers across the country, workers know the power of compound interest and how their contributions to these accounts can grow steadily over time.

The President Has Outlined Details To Guide The Legislative Process.

- **Future Generations Will Receive Benefits Equal To Or Greater Than Today's Seniors.** Under any plan to reform Social Security, future generations should receive at least as much as seniors receive today.
- **Protect Future Generations Who Depend on Social Security The Most.** Low-income workers should receive benefits that grow faster than benefit increases for the wealthiest seniors, which would grow no faster than the rate of inflation. This change alone would solve 70 percent of the funding problems facing Social Security.
- **Replace The Empty Promises Being Made to Younger Workers With Real Money.** Younger workers should have the option of putting a portion of their payroll taxes into a voluntary personal account. This nest egg will give workers an opportunity to receive a higher rate of return than the current Social Security system can provide.
- **The President Will Continue To Work With Congress.** Social Security is too important to pass this problem on to the next generation. The President has committed to work with both the House and Senate in a bipartisan way.

Strengthening Social Security For Hispanics

Recent Presidential Action:

The President Discussed Strengthening Social Security For Hispanics At The Latino Coalition's Small Business Conference In Washington, D.C. Hispanics comprise a growing part of both the labor force and senior population in America, and as a result, the need to make Social Security permanently solvent is of utmost importance to them.

Background: Social Security Reform Will Benefit The Latino Community

Social Security Reform Carries The Promise Of Better Benefits For Hispanic Workers.

- **The Current Social Security System Is Insufficient For Hispanics.** The current Social Security system leaves more than 20 percent of Hispanic seniors in poverty after a lifetime of paying into the system. The President believes we should make good on a great national commitment: if you work hard and pay into Social Security your entire life, you will not retire into poverty.

The President Has Outlined Details To Strengthen The Social Security Safety Net And Guide The Legislative Process.

- **Future Generations Should Receive Benefits Greater Than Today's Seniors.** Under the President's plan to reform Social Security, future generations should receive at least as much as seniors receive today.
- **Protect Future Generations Who Depend On Social Security The Most Through A Sliding Scale Of Benefits.** Future low-income workers should receive greater benefit increases than the highest-earning seniors so that every American can retire with dignity. For middle- and low-income seniors, benefits would continue to grow faster than inflation. For the very highest-earning seniors, benefits would grow no faster than inflation.
- **Replace The Empty Promises Being Made to Younger Workers With Real Money.** Younger workers should have the option of putting a portion of their payroll taxes into a voluntary personal retirement account. This nest egg will give workers an opportunity to receive a higher rate of return than the current Social Security system can provide.
- **The President Will Continue To Work With Congress.** Social Security is too important to pass this problem on to the next generation. The President has committed to work with both the House and Senate in a bipartisan way.

Voluntary Personal Retirement Accounts Offer Hispanics The Opportunity Of Ownership And Higher Returns On Their Social Security Contributions.

- **Voluntary Personal Retirement Accounts Will Open The Door To Ownership.** Many Hispanic workers cannot afford to save for retirement outside of Social Security. Giving Hispanic workers the chance to invest in voluntary personal retirement accounts within the Social Security system will give them the opportunity to build wealth that they can pass on to their spouses or children.

- **Voluntary Personal Accounts Will Encourage A Stronger Culture Of Savings Within The Hispanic Community.** At present, only 29 percent of Hispanics who are 55 or over have asset income, compared with 61 percent of whites. Voluntary personal retirement accounts will allow Hispanic workers to save a portion of their payroll taxes in an account, creating a nest egg that they own and control and that the government can never take away.
- **Hispanics Will Benefit From Voluntary Personal Accounts.** Hispanics in the workforce are disproportionately younger and therefore have more to gain from the President's plan for voluntary personal retirement accounts due to the benefits of compound interest.
- **Voluntary Personal Retirement Accounts Will Provide Safe Investment Opportunities.** In addition to a no-risk option of investing in U.S. Treasury bonds, voluntary personal retirement accounts could be invested only in secure bond and stock-index funds, including a life-cycle fund designed to protect workers from sudden market changes on the eve of their retirement.

Puntos para Destacar:

Mejoras al Seguro Social a favor de los Hispanos (5/4/05)

Medida presidencial:

El 4 de Mayo el Presidente habló sobre mejorar el Seguro Social a favor de los hispanos en la Conferencia de Pequeñas Empresas de La Coalición Latina (The Latino Coalition) en Washington, D.C. Los hispanos constituyen una porción cada vez mayor de la fuerza laboral y la población de personas mayores en los Estados Unidos, y como resultado, es sumamente importante para ellos que se haga al Seguro Social permanentemente solvente.

Antecedentes: La reforma del Seguro Social beneficiará a la comunidad latina

La reforma del Seguro Social ofrece la promesa de prestaciones mejores para los trabajadores hispanos.

- El sistema actual del Seguro Social es insuficiente para los hispanos. El sistema actual deja en la pobreza a más de 20 por ciento de los hispanos mayores de edad después de que contribuyen al sistema durante toda la vida. El Presidente cree que debemos cumplir con un gran compromiso nacional: aquél que trabaje arduamente y aporte al Seguro Social toda la vida no pasará a la pobreza al jubilarse.

El Presidente ha presentado detalles para fortalecer la red de seguridad del Seguro Social y guiar el proceso legislativo.

- **Las generaciones futuras deben recibir prestaciones mayores que las de las personas mayores de la actualidad.** Con el plan del Presidente para reformar el Seguro Social, las generaciones futuras deben recibir por lo menos lo mismo que las personas mayores reciben ahora.
- **Proteger a generaciones futuras que dependen más del Seguro Social por medio de una escala de prestaciones condicionada a los ingresos.** Los trabajadores futuros de bajos ingresos deben recibir aumentos mayores de prestaciones que las personas mayores con ingresos más altos para que todos los estadounidenses puedan jubilarse con dignidad. Para las personas mayores con ingresos medios y bajos, las prestaciones continuarían aumentando más rápidamente que la inflación. En el caso de las personas mayores con ingresos más altos, las prestaciones no aumentarían más rápido que la inflación.
- **Reemplazar las promesas vanas que se les están haciendo a los trabajadores más jóvenes con dinero real.** Los trabajadores más jóvenes deben tener la opción de poner una porción de sus impuestos salariales en una cuenta personal y voluntaria para la jubilación. Estos ahorros darán a los trabajadores una oportunidad de recibir una tasa más alta de rendimiento que la que puede otorgar el sistema actual de Seguro Social.
- **El Presidente continuará trabajando con el Congreso.** El Seguro Social es demasiado importante para pasarles este problema a generaciones futuras. El Presidente se ha comprometido a trabajar con tanto la Cámara de Representantes como el Senado de manera bipartidista.

Las cuentas voluntarias y personales para la jubilación ofrecen a los hispanos una oportunidad de ser propietarios y recibir una tasa más alta de rendimiento por sus contribuciones al Seguro Social.

- **Las cuentas voluntarias y personales para la jubilación abrirán las puertas a la propiedad.** Muchos trabajadores hispanos no pueden darse el lujo de ahorrar para la jubilación aparte del Seguro Social. Dar a los trabajadores hispanos la oportunidad de invertir en las cuentas voluntarias y personales para la jubilación dentro del sistema de Seguro Social les dará una oportunidad para acumular bienes que les puedan legar a sus cónyuges o hijos.

- **Las cuentas voluntarias y personales fomentarán una cultura que favorezca más el ahorro dentro de la comunidad hispana.** Actualmente, sólo 29 por ciento de los hispanos que tienen 55 años de edad o más tienen rentas, en comparación con 61 por ciento de los blancos. Las cuentas voluntarias y personales para la jubilación permitirán que los trabajadores hispanos guarden una porción de sus impuestos salariales en una cuenta, lo que generará ahorros de su propiedad y bajo su control que el gobierno nunca les podrá quitar.
- **Los hispanos se beneficiarán de las cuentas voluntarias y personales.** Los hispanos en la fuerza laboral son desproporcionadamente más jóvenes y, por lo tanto, tienen más que ganar con el plan del Presidente para las cuentas voluntarias y personales para la jubilación debido a los beneficios de los intereses compuestos.
- **Las cuentas voluntarias y personales para la jubilación ofrecerán oportunidades seguras de inversión.** Además de una opción sin riesgos de invertir en bonos del Tesoro de los Estados Unidos, se podrían invertir las cuentas voluntarias y personales para la jubilación solamente en fondos indexados y protegidos de bonos y acciones, entre ellos un fondo de ciclo de vida concebido para proteger a los trabajadores de los cambios repentinos del mercado cuando estén por jubilarse.

AFRICAN AMERICANS WOULD BENEFIT FROM STRENGTHENING SOCIAL SECURITY

African Americans Suffer From Wealth Gap:

RNC Chairman Ken Mehlman: “One Of The Most Important Gaps That Still Exists In This Country Is The Gap Between The Wealth, The Wealth Of The Typical White Family And The Typical Black Family In America.” (RNC Chairman Ken Mehlman, Remarks At Howard University, Washington, DC, 3/31/05)

According To Most Recent Census, Median Household Net Worth For All Americans Is \$55,000. (U.S. Census Bureau Website, “Asset Ownership Of Households: 2000,” http://www.census.gov/hhes/www/wealth/1998_2000/wlth00-1.html, Accessed 3/14/05)

- **The Median Household Net Worth For African Americans Is \$7,500.** (U.S. Census Bureau Website, “Asset Ownership Of Households: 2000,” http://www.census.gov/hhes/www/wealth/1998_2000/wlth00-1.html, Accessed 3/14/05)

According To Most Recent Census, Median Value Of Assets In Stocks And Mutual Fund Shares For All Americans Is \$19,268. (U.S. Census Bureau Website, “Asset Ownership Of Households: 2000,” http://www.census.gov/hhes/www/wealth/1998_2000/wlth00-1.html, Accessed 3/14/05)

- **The Median Value Of Assets In Stocks And Mutual Fund Shares For African Americans Is \$8,000.** (U.S. Census Bureau Website, “Asset Ownership Of Households: 2000,” http://www.census.gov/hhes/www/wealth/1998_2000/wlth00-1.html, Accessed 3/14/05)

According To Most Recent Census, Median Value Of Assets In 401K And Thrift Savings Plans For All Americans Is \$20,000. (U.S. Census Bureau Website, “Asset Ownership Of Households: 2000,” http://www.census.gov/hhes/www/wealth/1998_2000/wlth00-1.html, Accessed 3/14/05)

- **The Median Value Of Assets In 401K And Thrift Savings Plans For African Americans Is \$9,000.** (U.S. Census Bureau Website, “Asset Ownership Of Households: 2000,” http://www.census.gov/hhes/www/wealth/1998_2000/wlth00-1.html, Accessed 3/14/05)

Personal Retirement Accounts Would Help To Close Wealth Gap:

RNC Chairman Ken Mehlman: “[O]ne Of The Reasons That Gap Exists Is Because Not Enough African American Families Have Access To The Ability To Take A Nest Egg And Grow It Bigger, Keep It For Themselves And Pass It Along To Their Children.” (RNC Chairman Ken Mehlman, Remarks At Howard University, Washington, DC, 3/31/05)

“The President’s Plan Allows The Poorest Among Us To Join The Investing Class And Reap The Benefits Of The Market And Compound Interest, Which Albert Einstein Called ‘The Most Powerful Force In The Universe.’” (Herman Cain, Op-Ed, “Outside View: Dirty Little Secrets,” *UPI*, 3/15/05)

Wealth Built Primarily Through Investment, Not Wages, So Personal Retirement Accounts Would Help Close Wealth Gap By Bringing 50 Percent Of Americans Who Do Not Invest Into Market. (Cato’s Michael Tanner, Op-Ed, “Closing The Wealth Gap: Allow Social Security Investment,” Cato Institute, 2/7/03)

Personal Retirement Accounts Would Help Solve Intergenerational Wealth Gap Because Personal Retirement Accounts Can Be Passed On – Traditional Benefits Cannot. (Cato’s Michael Tanner, Op-Ed, “Closing The Wealth Gap: Allow Social Security Investment,” Cato Institute, 2/7/03)

RNC Chairman Ken Mehlman: “If You Had Taken \$10,000 And In 1988 Put That Into The Thrift Savings Plan Available To Every Federal Worker And Take That Same \$10,000 And Put It Into Social Security, Today, You’d Have \$11,700 In Social Security And \$42,000 In The Thrift Savings Plan.” (RNC Chairman Ken Mehlman, Remarks At Howard University, Washington, DC, 3/31/05)



STRENGTHENING SOCIAL SECURITY: BY THE NUMBERS

President Bush has proposed allowing younger workers the choice to voluntarily invest a part of their Social Security taxes in personal retirement accounts. These accounts offer workers increased ownership and control, the ability to build a nest egg, and the opportunity to receive higher rates of return than traditional Social Security.

Younger Workers And The Power Of Compound Interest

"If you're making \$35,000 all your life, and you're allowed to take a third of your payroll taxes and set it aside in a conservative mix of bonds and stocks that have a reasonable rate of return, then when you get ready to retire, **you'll have \$250,000 as part of a retirement plan.**" (President Bush, 5/4/2005)

How Was This Calculated?

- An average wage worker who would earn around \$35,000 this year, who worked from age 21 to 65 and invested 4 percentage points of payroll taxes in a conservative mix of bonds and stocks, could expect to retire with nearly a quarter million dollars in his account.

Low-Wage Earners And The Power Of Compound Interest

"If you're a 20-year-old mom earning \$8 an hour over the career, and you're allowed to take a third of your payroll taxes and put it in a conservative mix of bonds and stocks, by the time that person retires, **she would have a \$100,000 nest egg.**" (President Bush, 5/19/2005)

How Was This Calculated?

- This is the amount that someone who works from age 20 to 63, earning a starting wage of \$8 an hour, with increases along with wage growth over the course of her career, would have at retirement if allowed to invest 4 percentage points of payroll taxes in a conservative mix of bonds and stocks.

Young Couples And The Power Of Compound Interest

"Say, you're a police officer and a nurse, and enter the work force in 2011; ... you make the average salary those folks make over time, and you (both) set aside a third of your payroll taxes...by the time both retire, **they have about \$669,000 in a personal savings account.**" (President Bush, 5/24/2005)

How Was This Calculated?

- This is the amount that a young professional couple, both of whom work from age 21 to 65 and invested 4 percentage points of their payroll taxes, could expect to have by the time they retire.
- The average salary of a police supervisor is 1.7 times the average wage.
- The average salary of registered nurse is 1.4 times the average wage.

More Behind The Numbers

- All examples are in 2005 dollars (i.e. future retirement benefits adjusted for inflation and presented in 2005 dollars).
- For all account examples, the following assumptions are constant in calculating the end balance:
 - ✓ Contribution rate = 4% (or annual cap)
 - ✓ Investment rate of return = 4.6% real (this is for a portfolio mix of bonds and stocks)
 - ✓ Wage growth = 1.1% real



STRENGTHENING SOCIAL SECURITY: WHAT THEY'RE SAYING

Treasury Department Hosts Economic Roundtable, “The Need to Strengthen Social Security”

Secretary John W. Snow today welcomed leading economists and policy experts to the Treasury Department for a roundtable event, “The Need to Strengthen Social Security.” Highlights of this morning’s discussion include:

“Some of the sharpest economic minds in the country are here to discuss the most pressing and exciting economic issue of the day: saving and strengthening our nation’s Social Security system. The system is financial unsustainable, and America knows it. ... The Social Security trustees report, after all, cannot be denied. The work of non-partisan actuaries shows that Social Security cash flows peak in 2008 and turn negative in 2017. The trust fund itself will be exhausted in 2041. The unfunded obligation is a staggering \$11.1 trillion on a permanent basis, and \$4 trillion over the next 75 years. ... The President’s indexing proposal is an approach that is socially just while also being financially responsible, bringing the program about 70 percent of the way toward solvency. I know he is looking forward to working with Congress to bring the program all the way to 100 percent, permanent solvency.” **–Treasury Secretary John W. Snow**

“We now have the opportunity to make changes in the program that will serve us better and with less uncertainty in the future... Doing nothing is not a real option. In fact, it ultimately would lead to a precipitous decline in benefits when the program reached insolvency. Any major changes in retirement plans need to be made well in advance so that workers have time to adjust their work plans and savings.” **–Dr. June O’Neill, former Director of the Congressional Budget Office**

“The window here is closing... The window closes in 2007. That’s the last time. No one, other than a second-term president will ever tackle this issue. They cannot withstand the effective election contest. It’s just too hard. I think President Bush has shown a lot of courage in taking this on in his second term.... So, think about it, in 2015, if we have another second-term president, he couldn’t touch the benefits of those of anyone before 2022. By that time, most of the baby boomers are in retirement.” **–Bob Pozen, Chairman, MFS Investment Management**

“This nation as a nation is not matching its Social Security retirement liabilities with assets. The assets simply are not there for the promised retirement benefits of the Social Security system. The urgent question is how to get them there. To be sure, there are many possibilities. But one that is consistent with a society based on the concept that owners of their own futures are happier, more secure people, is allowing people to save for their retirement outside the current Social Security system perimeters. The benefits of this system include the whole constellation of psychic and material rewards that go with ownership of one’s own assets. They include the possibility of getting a higher rate of return on savings than is presently available within the Social Security system for most Americans.” **–Ben Stein, renowned author, economist, lawyer, and entertainer**

“Voluntary PRA’s [Personal Retirement Accounts] give younger workers the opportunity to invest and watch it grow over time which the government can never take away. I think all workers should have the opportunity, not just federal employees.” **–Harvey Rosen, Chairman, Council of Economic Advisers**

“A complete fix based on progressive benefit growth, similar to the (Robert) Pozen formulation, and personal accounts will return the system to permanent cash surpluses within the actuaries’ 75-year valuation window.” **–Chuck Blahous, Special Assistant to the President for Economic Policy**



May 6, 2005

BY THE NUMBERS

From the Office of Strategic Initiatives

(202) 456-2921

Social Security: Voters Trust Bush and Believe Change Must Happen

Positive Growth in Job Approval and Trust

- ***The President's job approval numbers on Social Security are growing.***
The President has seen a net 7-point improvement in his job approval rating on this issue since Westhill/Hotline's last survey on April 7th. And, the AP/Ipsos survey conducted May 2-4 shows a 2-point increase in his job approval rating handling Social Security.
- ***The President and Republicans on Capitol Hill have gained trust on Social Security.***
The Sixty Day Tour has impacted voters' view of whom they should trust – 35% of voters now say they trust President Bush and Republicans on Capitol Hill, a net 6-point increase from the Westhill/Hotline's April 7th survey. The AP/Ipsos survey shows similar results with 36% saying they trust Republicans to handle this issue.

Scare Tactics Aren't Working – Voters Want Real Change

- ***Nearly half of Americans say we need to rebuild or make major changes in Social Security.*** 46% of voters say the system needs major change (29%) or to be completely re-built (17%). Voters understand the fundamental truth: Social Security is going to run out of money – 70% agree this will happen if the system is not reformed.
- ***Voters do not feel less secure about their own retirement.*** Only a little more than one-third of voters say they feel less secure about retirement, while nearly 60% say they feel more secure about their retirement, about the same about it, or feel the changes to the Social Security system do *not* affect them.
- ***Voters reject higher payroll taxes.*** 48% of voters oppose increasing Social Security payroll taxes for all workers – and this opposition is true across party lines. 55% of Independents oppose raising payroll taxes and 45% of Democrats oppose raising payroll taxes.
- ***Voters reject robbing Peter to pay Paul.*** 60% of voters say they oppose taking money out of another source like defense spending and putting it towards Social Security. 77% of Republicans oppose this plan and 62% of Independents reject it, as well.

Sources include:

AP/Ipsos Poll, May 2-4, 2005, N=1000 Adults, Westhill/Hotline Poll, April 28-May 1, 2005, N=800 RV

The Washington Times

Essential element of reform

By Pete du Pont

Published May 23, 2005

Those who decide what is conventional wisdom inside-the-Beltway are pushing the idea President Bush is losing support for his plan to reform Social Security with personal retirement accounts and it is time for him to cut his losses.

The argument goes something like this: "Since PRAs don't solve the solvency issue, they're not worth the hassle."

If President Bush's efforts were all about political calculation, this might have some merit. Someone thinking solely of political calculation probably wouldn't have suggested reforming Social Security at all. No, this has always been about recognizing a serious problem and focusing on what he thought was right.

Now it is true some are beginning to question whether PRAs are a good idea. Chalk this unfortunate reality to the fact that while the Bush administration has focused on Social Security's problems, opponents have pounded away at PRAs with a bevy of scare ads and misinformation.

The question of the hour is: If personal accounts don't solve the problem, why are we talking about them? The quick answer is PRAs were never meant to be a silver bullet, but they are essential to any viable reform package.

According to the latest report of the Social Security Trustees, Social Security faces an unfunded liability of more than \$11 trillion. That means we would need more than \$11 trillion in the bank today, earning interest, just to pay all the benefits the current system promises.

Under most reform proposals, PRAs do not shore up the solvency problems on their own. After all, it is unlikely any one measure can shore up the system and still provide the same quality of life we've all been promised. However, saying they "do nothing" is entirely inaccurate.

When the president speaks of PRAs, he refers to a system in which participants invest part of what they already pay in payroll taxes, and in exchange the accounts replace part of their government/taxpayer-funded benefits. This creates a combined benefit.

For example, say Social Security promises a worker \$1,500 a month at retirement. Under a leading reform plan, if the worker opts to divert 4 percentage points of his payroll tax into his personal account, he agrees to give up \$300 a month in traditional government funded benefits. If his personal account earns 3 percent a year, this worker breaks even and earns \$1,500 a month in retirement.

If the worker's investment earns a higher return, he earns a higher monthly benefit. The Social Security Administration says workers who invest 50 percent in stocks and 50 percent in bonds can expect a return of about 4.6 percent.

Over time, as workers with personal accounts retire, Social Security's obligations are reduced. Thus, Bush-style personal accounts alone will reduce Social Security's costs by about 10 to 15 percent over the next 75 years, and more than 20 percent beyond the 75-year horizon.

Of course, Mr. Bush's approach includes more than just adoption of PRAs. He has also noted the need for other measures, like curbing the growth of future government-provided benefits.

There are various ways to do this, such as changing how initial benefits are indexed. Mr. Bush recently endorsed a proposal by a Democratic member of his 2001 commission, Robert Pozen, to make this shift from wage to price indexing on a progressive basis, maintaining wage indexing for the lowest-paid workers.

Adopting both aspects, reducing government's burden and including PRAs will provide benefits comparable to what the system now promises and more than it actually can afford.

So why are we talking about PRAs? Anyway you look at it, every measure absent PRAs to shore up the \$11 trillion debt can be boiled down to fewer benefits, more taxes, or a combination of the two.

PRAs offer the only chance for younger workers to gain anything from reform.

Pete du Pont is board chairman of the National Center for Policy Analysis and former governor of Delaware. He ran for the 1988 Republican nomination for president on a platform of investment-based reform of Social Security.

Chicago Tribune

A real opportunity to fix Social Security

By Richard Parsons
chairman and CEO of Time Warner Inc
May 19, 2005

When my father retired, after years as an electronics technician, he was looking forward to reaping the rewards of a lifetime of hard work, financed by at least two monthly checks: one from his company pension and the other from Social Security. There was only one problem. Due to the unforeseen misfortunes of his company, that pension check stopped coming. Thank God for Social Security.

Without it, I shudder to think what life would have been like for my father and millions of others who have seen their promised pensions vanish like desert mirages in recent years. The irony today is that the same funding mechanism that brought down many private-sector pension systems now threatens Social Security. As President Bush put it during his recent news conference, "There's a hole in the safety net." And that hole looks suspiciously like the one my father almost fell through.

The truth is, as I learned during the time I spent co-chairing President Bush's Commission to Strengthen Social Security in 2001, a pay-as-you-go option for funding pension plans--now denied by law to corporations, but still the Model-T engine driving Social Security--becomes unsustainable as the number of retirees grows and their life span lengthens. It is a question of changing demographics. Either Social Security changes with them or it becomes a broken promise that will have devastating consequences, especially for middle- and low-income Americans.

If you look at any major newspaper today, you're likely to read conflicting views on what the future holds for Social Security. As my commission co-chair, the late Daniel Patrick Moynihan, put it, "You're entitled to your own opinion. You are not entitled to your own set of facts."

So let's look at the facts. In 1950, there were 16 workers supporting every retiree in Social Security's pay-as-you-go financing system. That meant taxes were relatively low.

Today, there are roughly three workers supporting each retiree, thus a higher tax burden per worker. By 2030, there will be only two workers for each retiree. This downward trend in the ratio of workers to retirees will inexorably require painful tax increases or significant benefit cuts or astronomical levels of borrowing. In a worst-case scenario, it might require all three.

Looking this problem squarely in the eye--something politicians have been reluctant to do for decades--Bush has put a bold plan on the table.

His reform proposal would ensure that benefits for low-income workers, those who depend on Social Security the most, would grow faster than benefits for people who are better off. By most accounts, this reform would solve 70 percent of the funding deficit facing Social Security.

At the same time, the president believes, and I agree, that giving workers the voluntary choice of investing in a personal retirement account--in addition to patching that hole in the Social Security safety net--will provide millions of current and future workers with the nest eggs they'll need to live in comfort once they retire.

Pat Moynihan and I agreed that this is not a debate about the success of the current Social Security system. Few would disagree that it has been a reliable source of income for 70 years that has virtually eliminated poverty among the elderly. Rather, this is a debate about how to structure a system that is fair and makes sense to today's young people.

If you asked Americans under 40 today what kind of public pension system they would create if we were starting from scratch, an overwhelming majority of them would tell you that a personal retirement account should figure prominently in the new system. Sadly, the voices of these younger Americans are not well represented in the debate today because there is no well-heeled interest group speaking for them.

Bush understands that personal retirement accounts are not a magical solution to all the fiscal woes facing Social Security. But by coupling that choice with a real plan to put the system's solvency on solid footing, I believe he has given us the first real chance in decades to say to current and future retirees, "The benefits you have been promised will be there when you need them."

The late Sen. Moynihan was both a loyal Democrat and a tried-and-true realist who recognized that there were problems that no one party could solve. He believed that by acting together and by favoring facts over theories, we could fix Social Security before it was beset by crisis. We need that same faith today.

Richard Parsons, chairman and CEO of Time Warner Inc., co-chaired President Bush's Commission to Strengthen Social Security in 2001.

Building Nest Eggs: Reform Is Plus for Young

CHRISTOPHER SNOW
GUEST COLUMNIST
May 15, 2005

Since the beginning of President Bush's second term the topic of strengthening Social Security has been debated throughout the Nation. My dad, Treasury Secretary John Snow, has traveled all around the country to talk about Social Security. After sitting down with him, I realized that the debate over Social Security is really more about my generation than about his.

If nothing is done to strengthen Social Security, the system is headed for bankruptcy, and the effects on this younger generation will be crippling. Our parents and grandparents don't have to worry about Social Security reform, because the system will be solvent through the retirement of anyone 55 and older. However, for our generation, today's Social Security will deliver only 70 percent of the benefits we're being promised. We will be paying far more into the system than we will receive.

When Social Security was created, 16 workers paid taxes to support one retiree, but that ratio has dropped to nearly 3-1 today. By the time we retire, only two workers will pay taxes to support each retiree. In 2017 the system will be paying out more in benefits than it takes in, and by 2041, when we begin to retire, the system will be bankrupt.

PRESIDENT BUSH has taken the lead on the issue of Social Security by creating an open dialogue throughout the country. He has put forward the idea of voluntary personal retirement accounts to make Social Security a better deal for our generation.

Under the current system each worker pays 12.4 percent of his income into the Social Security system, which is used to pay for the benefits of current retirees. Any surplus of money is spent on other government programs with the promise that the Social Security trust fund will be repaid. With personal retirement accounts, 4 percent of what we pay to Social Security could be invested in a safe mix of stocks and bonds, and be given the opportunity to grow. By choosing to invest part of what we pay to Social Security, we would have the opportunity to receive higher benefits than the current system can pay out and the chance to build a nest egg for retirement. We would have more choice and control over our hard-earned money.

Personal retirement accounts replace the empty promises of the current system with real assets. For example, someone who earns an average of \$35,000 a year over the next 35 years could expect to have nearly \$250,000 saved in an account upon retirement. Personal accounts would be 100percent voluntary.

THE SOONER we are allowed to invest in personal accounts, the better it will be for our generation because we will have more time to build assets. The longer we wait to address the problems facing Social Security, the more expensive the solution becomes. Social Security trustees say that for every year we wait to reform Social Security, an additional \$600 billion is added to the cost of reform. Like paying off student loans or your credit card, it is cheaper to do today than it will be tomorrow.

Read more about the problems facing Social Security on www.StrengtheningSocialSecurity.gov. Talk to your friends about the option to gain control over a portion of your retirement savings and the chance to earn a rate of return greater than the current system. It's time we young Americans make our voices heard in this debate.

Christopher Snow, a VCU student and the son of Treasury Secretary John Snow, works for Visure Corp.

SOCIAL SECURITY: Reform will help the system keep its promise to seniors

By JOHN W. SNOW
05/19/2005

To help put Social Security on a financially sustainable course, President George W. Bush has proposed protecting future benefit levels for lower-income people, while slowing the growth rate for those better off. Under this approach, those most in need will retire with benefits greater than the current system can deliver. The benefits for higher income people also will rise over current levels, but at a slower rate.

Yet the president has been criticized for cutting benefits. In the real world, receiving a 3 percent raise instead of a 5 percent raise would not be considered a "pay cut." In the case of Social Security, we must reject misleading, inside-the-Beltway language that treats a reduction in the rate of increase as a decrease in benefits. The future of this program is simply too important to every American to let such misleading rhetoric go unchallenged.

In a recent prime time news conference, the president outlined his proposals to permanently strengthen Social Security. Despite what others would have you believe about a progressive indexing approach, middle- and low-income Americans are among those with the most to gain from these reforms.

Only in Washington would it be argued that a program that is unsustainable should not be fixed. The arithmetic of the problem cannot be denied: Social Security's cash flows peak in 2008, and deficits begin in 2017. People are living longer and having smaller families, so there are fewer workers to support increasing numbers of retirees. In 1950, there were 16 workers paying into a system for every retiree. Today, we have only about three workers for every beneficiary.

What often is lost in the current debate is that by 2041, Social Security will be able to pay only 74 percent of the benefits now promised. That means that benefits necessarily will be cut across the board unless we act now to strengthen and save the system. Common sense dictates that the highest earning seniors in the future will not need benefits dramatically higher than the highest earners receive today, especially when the cost of paying such benefits would mean crippling tax increases.

To protect the neediest Americans, President Bush is proposing a progressive indexing approach that would offer greater benefits for most Americans than the current system could afford to pay. For middle- and low-income seniors, benefits would continue to grow faster than inflation. For the highest-earning seniors, however, benefits would grow no faster than the rate of inflation.

Progressive indexing would mean real income security for millions of middle-class Americans who otherwise would face certain benefit cuts. Today's middle-income 20-year-old would get \$17,300 per year in benefits when he retired - \$1,800 more than the current system can pay and \$2,500 more than today's middle-income retiree receives. Expected benefits for those workers who invest in personal accounts would be even higher.

A responsible, reasonable and sustainable rate of benefit growth for wealthier seniors also would eliminate poverty among future seniors. Today, about 2 million retirees who paid into Social Security their whole lives are collecting benefits that still leave them below the poverty line. By 2041, this number is projected to double. A sliding-scale benefit formula eventually would be able to ensure that no American who works a lifetime need retire in financial distress.

Progressive indexing would solve most, but not all, of Social Security's financing shortfalls, and the president is committed to working with Congress to find the best way to resolve the remaining problems. This includes offering younger workers the option to save a portion of their payroll taxes in personal accounts.

President Bush is proposing a reformed system that can afford to keep the promises it makes. Progressive indexing would create benefits that middle-class Americans can rely on, instead of the empty promises of the current system. The administration wants to see Social Security strengthened for those Americans who need it most.

John W. Snow is the secretary of the Treasury.

DEMOCRAT PLAN FOR SOCIAL SECURITY: OBSTRUCT AND ATTACK

Democrat Leadership Aide: “Why Would We Put Something Out For [President Bush] To Take Shots At?” (Hans Nichols, “Wexler’s Social Security Plan Has Some Dems Complaining,” *The Hill*, 5/18/05)

“Attempting To Grease The Financial Machinery For Americans United, Senate Minority Leader Harry Reid (D-Nev.) And House Minority Leader Nancy Pelosi (D-Calif.) Have Recently Stepped Up Their Outreach To Donors.” (Chris Cillizza, “Social Security Draws Few Big Donors,” *Roll Call*, 5/17/05)

“Congressional Democratic Leaders Believe They Are Winning The Political Fight Over Social Security, Mainly By Criticizing Bush’s Idea For Accounts, And Are Lobbying Their Members Not To Offer Any Concrete Proposals.” (Jim Vandehei, “Panel May Take Lead On Social Security Plan,” *The Washington Post*, 4/17/05)

Democrat Aides Admit Party Has No Plan For Social Security, And Will Not Offer Any. “House and Senate Democrats have decided against introducing an alternative Social Security reform plan yet, preferring instead to focus attention and criticism on President Bush’s proposals, according to a number of senior Democratic aides.” (Patrick O’Connor, “For Now, Dems Will Offer No Social Security Reforms,” *The Hill*, 2/8/05)

“[A]s The President Spoke In The House Chamber, Several Democrats Hissed And Rumbled ‘No, No, No’ During Some Of His Assertions About Social Security.” (Charles Babington and Mike Allen, “Bush’s Address Wins Over Few, If Any, Democrats,” *The Washington Post*, 2/3/05)

Senate Minority Leader Harry Reid (D-NV):

Senate Minority Leader Harry Reid (D-NV): “President Bush Will Get Nothing Done That He Wants.” (Erin Neff, “Del Sol High School Appearance: Reid Calls Bush ‘A Loser,’” *Las Vegas Review-Journal*, 5/7/05)

Reid Said To Be “Warning” Democrats Against Helping Republicans Pass Social Security Legislation. “On Social Security, Reid says he is warning Democrats that aiding Republican efforts to pass legislation in the Senate – even without private accounts – is a bad idea because the accounts could be reinserted by House Republicans at a later point in the process.” (Laura Litvan, “Reid Ready For Fight Over U.S. Judges As Companies See Fallout,” *Bloomberg*, 5/9/05)

Reid: “It May Take 60 Days, It May Take Six Months, It May Take Six Years. But It Doesn’t Matter; We’re Not Going To Back Down. Democrats In The Congress Won’t Back Down, And The American People Will Not. United We Stand To Protect Social Security!” (Sen. Harry Reid, Social Security Rally With Democratic Members Of The House And Senate, 4/26/05)

Reid: “We’re Going To Stand United Against Privatization ...” (Sen. Harry Reid, Social Security Rally With Democratic Members Of The House And Senate, 4/26/05)

Reid: “Privatizing Social Security, As President Bush Has Proposed, Would Not Only Not Do Anything To Fix The Program, It Will Make It Worse. It Would Weaken Social Security’s Role As A Guaranteed Safety Net.” (Sen. Harry Reid, Op-Ed, “Sen. Reid: Privatizing Social Security Bad Idea,” *Pahrump Valley [NV] Times*, 4/8/05)

Reid: “[S]ocial Security Is Not In Crisis.” (CBS’s “Face The Nation,” 4/10/05)

Reid Said President Should “Forget” About Strengthening Social Security Because “It Will Not Happen.” “President Bush should forget about privatizing Social Security. It will not happen. And the sooner he comes to that realization, the better off we are. We can get to issues that are certainly more in the form of a crisis than a program that has enough money to have it in the form it’s in for the next 50 years.” (Sen. Harry Reid (D-NV), Press Conference, 2/1/05)

House Minority Leader Nancy Pelosi (D-CA):

House Minority Leader Nancy Pelosi (D-CA): “Overwhelmingly, Our Members Understand The Unity That We Have ...” (Amy Fagan, “Defeat Bush Plan First, Pelosi Says,” *The Washington Times*, 5/18/05)

“According To Numerous Aides” Pelosi’s Strategy Is To Wait Until “We See The Whites Of Their Eyes’ Before Offering A Democratic Alternative.” “Democratic leadership aides were roundly critical of Wexler’s timing, saying it clashed with Pelosi’s strategy of waiting until ‘we see the whites of their eyes’ before offering a Democratic alternative, according to numerous aides.” (Hans Nichols, “Wexler’s Social Security Plan Has Some Dems Complaining,” *The Hill*, 5/18/05)

Pelosi: “Democrats Will Continue To Fight. We Will Fight It On The Road, On The Internet, On The House Floor, And On Campuses And Across The Country.” (Rep. Nancy Pelosi, News Conference, 5/12/05)

Pelosi: “We Are Ready For The Fight.” (Rep. Nancy Pelosi, “Pelosi: ‘Social Security Has Represented Dignity And Independence To Millions Of Women,’” Press Release, 5/10/05)

“House Democratic Leader Nancy Pelosi [D-CA] Said Repeatedly That ‘Democrats Know How To Fix Social Security.’ She Offered No Specific Suggestions ...” (Tom Raum, “Bush Pushes Revised Social Security Plan To Auto Plant Workers,” *The Associated Press*, 5/3/05)

Pelosi: “[T]he Democrats are very proud of – they have been willing to take the heat – to keep the focus on what the President is proposing and what the President is proposing is really an assault on the middle class. I don’t know what the middle class ever did to President Bush, but he has it in for them.” (ABC’s “This Week,” 5/1/05)

ABC’s George Stephanopoulos To House Minority Leader Pelosi (D-CA): “Democrats Have Not Offered Anything.” Stephanopoulos: “If you compare it to doing nothing, the benefits under – if you do nothing – are actually lower than under the President’s plan and so far the Democrats have not offered anything.” Rep. Pelosi: “It’s not a question of doing nothing. Democrats are – have a vision to save Social Security first.” Stephanopoulos: “But nobody has seen it.” (ABC’s “This Week,” 5/1/05)

Pelosi: “The President Of The United States Has Not Given Us His Full Plan. But What We Do Know About Some Of Its Provisions, Slash Benefits And Bankrupt The Social Security Trust Fund, Then Why Should We Put A Plan In? We Will Go – Our Plan Is To Stop Him From – Stop Him. He Must Be Stopped.” (Fox News’ “Special Report,” 3/17/05)

Pelosi: “I Think It Is Very Important To Just Say No To What The President Is Trying To Do To Social Security.” (Rep. Nancy Pelosi, Press Conference, 3/3/05)

Pelosi “Has Ordered House Democrats To ‘Oppose, Not Propose,’ Changes To Social Security, According To A Well-Placed Democrat.” (Jonathan Kaplan, “Dean Slams Bush On Town-Hall Meetings,” *The Hill*, 3/10/05)

Pelosi Said Democrats “Are United” Against President’s Social Security Plan. (David Espo, “Democrats: Social Security A Distraction,” *The Associated Press*, 2/1/05)

Sen. Joe Biden (D-DE):

Sen. Joe Biden (D-DE): “[D]iscount Personal Accounts. ... I’ll Be No Party To Anything That Moves American Seniors Back Into Poverty, And That’s What Would Happen.” (CNN’s “Wolf Blitzer Reports,” 4/28/05)

Sen. Patrick Leahy (D-VT):

Sen. Patrick Leahy (D-VT): “[The President] Said That He Won’t Negotiate On Any Of His Points. You Know, That’s Sort Of A Non-Starter. He Said He Wants Privatization And Very Large Cuts For The Working Middle Class.” (Fox News’ “Fox News Sunday,” 5/1/05)

Fox News’ Chris Wallace To Sen. Patrick Leahy (D-VT): “But Senator, I Haven’t Heard A Single Idea Of Yours As To How To Fix Social Security.” (Fox News’ “Fox News Sunday,” 5/1/05)

Sen. Dick Durbin (D-IL):

Sen. Dick Durbin (D-IL) Said The President’s Progressive Indexing Proposal Is “Another Bad Idea.” (CBS’ “Face The Nation,” 5/1/05)

Durbin: “If [President Bush] Is Going Out To Push For Privatization, Let’s Help Him Pack.” (David Espo, “Party Differences Hardening On Social Security,” *The Associated Press*, 4/26/05)

Sen. Charles Schumer (D-NY):

Sen. Charles Schumer (D-NY): “I Would Not Support This Plan.” (MSNBC’s “Live Coverage” 4/28/05)

Sen. Charles Schumer (D-NY): “The More Americans Hear About Bush’s Scheme, The Less Likely They Are To Support It.” (Martin Crutsinger, “Snow Leads Charge For Bush Soc. Sec. Plan,” *The Associated Press*, 4/15/05)

Sen. Carl Levin (D-MI):

Sen. Carl Levin (D-MI) On When He Will Be Willing To Work With President Bush: “‘When He Gets Private Accounts Off The Table,’ ... Adding That Bush Also Must Stop Making Efforts To ‘Privatize’ And Must Give Up ‘His Effort To Dismantle The Principle Behind Social Security.’” (Mark Lenz, Op-Ed, “The Menu At Sen. Levin’s Table,” *The [Adrian, MI] Daily Telegram*, 5/9/05)

Levin: “[B]y Privatizing Social Security, We Would Introduce A Crapshoot Into The System: There Will Be Winners, And There Will Be Losers. Under The President’s Proposal, Social Security Would No Longer Be Guarantee For All Americans, But A Jackpot For The Lucky.” (Sen. Carl Levin, “Statement Of Sen. Carl Levin On The President’s State Of The Union Address,” Press Release, 2/2/05)

Sen. Tom Harkin (D-IA):

Sen. Tom Harkin (D-IA): “[The American People] Understand That This President Really Doesn’t Believe In Social Security.” (CNN’s “Larry King Live,” 4/28/05)

Sen. Tom Harkin (D-IA): “The President’s Risky Privatization Scheme Is Not About Strengthening Social Security, It Is About Shrinking It.” (Aimee Tabor, “Grassley, Democrats Tangle On Social Security,” *The [Burlington, IA] Hawk Eye*, 4/14/05)

Sen. Byron Dorgan (D-ND):

Sen. Byron Dorgan (D-ND): “[T]he Solution To Social Security Has Always Come From The Democrats, Not The Republicans. It Will Always Be That Way. We’re The Ones That Will Nature And Protect And Help This System Along. It Will Be Around For A Century And More Because Of Us.” (CNN’s “Inside Politics,” 3/8/05)

Dorgan: “We’ve Got To Fight On This Issue, And We’ve Got To Wage An Aggressive Fight.” (Sheryl Gay Stolberg, “For Democrats, Social Security Becomes A Defining Test,” *The New York Times*, 1/29/05)

Sen. Edward Kennedy (D-MA):

Sen. Edward Kennedy (D-MA) Said No Democrat Plan Until Personal Accounts Are Off Table. ABC’s George Stephanopoulos: “And you’re pretty clear, so no Democratic plan until private accounts are off the table.” Kennedy: “[T]hat would certainly seem to make the sense [sic] to me.” (ABC’s “This Week,” 3/6/05)

Sen. Chris Dodd (D-CT):

Sen. Chris Dodd (D-CT): “If You Did Nothing At All, You’d Leave These Retirees In Better Shape Than What The President Is Suggesting, In My View.” (NBC’s “Meet The Press,” 5/1/05)

Sen. Bill Nelson (D-FL):

Sen. Bill Nelson (D-FL): “Congress Should Reject Any Social Security Plan That Requires Deep Benefit Cuts Or A Massive Increase In Debt.” (Alan Fram, “Senators Ready For Budget Fights Over Social Security, Medicaid,” *The Associated Press*, 3/15/05)

Nelson Promised To Be A Vocal Critic Of The President’s Social Security Plan. “Nelson said he will support Bush on issues such as funding for the Iraq war but will be vocal against Bush’s Social Security plan. The president, he said, needs to negotiate, not dictate, to Congress. ‘I want to see him reach out and start working with the legislative branch and understand the Constitution says you have to govern working with the legislative branch.’” (Tamara Lytle, “Bush Will Feel The Heat After Speech,” *The Bradenton [FL] Herald*, 2/1/05)

Sen. Debbie Stabenow (D-MI):

Sen. Debbie Stabenow (D-MI): “The President’s Plan Does Nothing To Address Long-Term Security ... It Cuts Benefits For Everyone At Some Level And It Adds Trillions Of Dollars To The National Debt.” (“Stabenow: Bush’s Social Security Plan Will Cost More,” *The Cadillac [MI] News*, 3/7/05)

Sen. Blanche Lincoln (D-AR):

Sen. Blanche Lincoln (D-AR): “Said She Hoped Senate Democrats Would Act In Unison To Prevent The Diversion Of Social Security Taxes To Private Investment Accounts. ‘It’s Critical For What We Stand For,’ Lincoln Said.” (Warren Vieth and Richard Simon, “Democrats Vow To Block Bush On Social Security,” *Los Angeles Times*, 2/2/05)

Sen. Ron Wyden (D-OR):

Sen. Ron Wyden (D-OR): “Personal Accounts Unravel The Social Security Safety Net In A Way That Makes It Hard To Find Common Ground.” (David Espo, “Party Differences Hardening On Social Security,” *The Associated Press*, 4/26/05)

Sen. Barack Obama (D-IL):

Sen. Barack Obama (D-IL): “[I]t’s Not The Democrats Who Are Saying No, It’s The American People Who Are Saying No. I Mean, The President Has Been Trying To Sell This Thing For 60 Days Now, And The Support For It Gets Worse And Worse. The Reason Is That The American People Understand Social Security Is That Bedrock Social Insurance That Makes Sure We Don’t Have Seniors In Poverty. People In [Sic] Disabilities Are Not Going To Be Impoverished ...” (CNN’s “Inside Politics,” 4/27/05)

Sen. Ben Nelson (D-NE):

Sen. Ben Nelson (D-NE): “The Public Is Not There. Especially Senior Citizens Aren’t There. I’m Not There. [Personal Accounts] Would Cause A Huge, Huge Borrowing Over 10 Years. The Change Of The Formula Would Ultimately Give Young People, When They Retire On Social Security, Less Than What They Would Under The Current Laws. It Is Not Going To Happen. And It Is Not Going To Happen With A Lot Of Republican Senators.” (MSNBC’s “Hardball,” 4/27/05)

Sen. Joe Lieberman (D-CT):

Sen. Joe Lieberman (D-CT): “President Bush’s Plan To Privatize The Program Would Do Nothing To Save Social Security — In Fact, It Would Hasten Its Day Of Reckoning ...” (Peter Urban, “Democrats Hold Social Security Unity Rally,” *Connecticut Post*, 4/27/05)

Sen. Kent Conrad (D-ND):

Sen. Kent Conrad (D-ND): “I Don’t Think The Package The President Is Pushing At This Point Will Be Successful. I Say That For The Following Reasons. Number One, It Entails Borrowing Another \$4 Trillion Over The Next 20 Years. I Don’t Think That’s The Direction We Want To Go. That Really Just Digs The Hole Deeper Before Starting To Fill It In.” (CNBC’s “Kudlow & Company,” 4/27/05)

Sen. Jon Corzine (D-NJ):

Sen. Jon Corzine (D-NJ): “[Republicans] Don’t Seem To Be Listening With Regard To The Desire Of The Public To Maintain Guaranteed Benefits.” (CNN’s, “Inside Politics,” 3/1/05)

Sen. Jack Reed (D-RI):

Sen. Jack Reed (D-RI): “[Private Accounts] Would Cut Social Security Funding, It Would Weaken The Program And It Would Actually Make Its Problems Much Worse Instead Of Better.” (Jim Baron, “U.S. Sen. Reed Warns On Social Security,” *The Woonsocket [RI] Call*, 3/28/05)

Sen. John Kerry (D-MA):

Sen. John Kerry (D-MA): “We’ve Been Wasting These Months, Frankly, Over This Issue Of The Private Accounts Without Any Real Discussion Of Solvency.” (Fox News’ “Special Report,” 4/26/05)

Sen. Hillary Clinton (D-NY):

Sen. Hillary Clinton (D-NY): “Social Security Is A Problem, But It’s Not In My Top Five ...” (Thomas M. DeFrank, “Party’s Gotta Fight Back, Sez Hillary,” *New York Daily News*, 4/12/05)

Sen. Hillary Clinton (D-NY): “We Want To Be Sure That We Set The Record Straight Here About The Risky Privatization Plan That The President Has Been Pushing Across The Country ... The President’s Plan Would Make Our Problems Worse And Weaken Social Security By Taking Trillions Of Dollars Out Of The Trust Fund And Out Of Our Budget. The Plan Would Cut Benefits By More Than A Third, Even For Those Who Did Not Choose To Have A Private Account.” (Alexandra Marks, “Democrats Fight Back On Social Security,” *Christian Science Monitor*, 3/8/05)

Sen. Maria Cantwell (D-WA):

Sen. Maria Cantwell (D-WA): “I Joined 41 Other Senators Last Week In Sending A Letter To President Bush, Urging Him To Drop The Idea Of Funding Privatized Investment Accounts With Social Security Funds.” (Sen. Maria Cantwell, “Weekly Report From Washington By Sen. Cantwell,” Press Release, 3/7/05)

Sen. Max Baucus (D-MT):

Sen. Max Baucus (D-MT): “[Personal Accounts Are] Such A Bad Idea, The Private Accounts Which Comes Out Of Social Security. That Plan Is Based Not On Economics It’s Based On Ideology.” (CNN’s “Inside Politics,” 4/26/05)

Sen. Barbara Boxer (D-CA):

Sen. Barbara Boxer (D-CA): “Talk About Destroying This Country. [Personal Accounts] Are A Plan That Will Bring Us Down.” (CBS’, “Face The Nation,” 3/6/05)

Sen. Jeff Bingaman (D-NM):

Sen. Jeff Bingaman (D-NM): “The Diversion Of Social Security Revenues To Private Investment Accounts Would Shift Much Of The Risks Of Old-Age Back To Low-Income Seniors, And Pose Very Serious Challenges To Families Who Depend On Social Security’s Survivor And Disability Insurance Benefits.” (Sen. Bingaman, “Sen. Bingaman: Privatizing Social Security Will Hurt New Mexico Seniors,” Press Release, 3/10/05)

Sen. Tim Johnson (D-SD):

Sen. Tim Johnson (D-SD): “Private Accounts Will Do Nothing To Address The Solvency Of Social Security While Adding Up To \$5 Trillion In Additional Debt.” (Scott Waltman, “Aberdeen: Senator To Visit,” *Aberdeen [SD] American News*, 3/17/05)

Rep. Charles Rangel (D-NY):

Rep. Charles Rangel (D-NY): “[A]s Long As [Personal Accounts Are] On The Table, We’re Going To Have A Problem Talking.” (Committee On Ways And Means, U.S. House Of Representatives, Hearing, 5/12/05)

Rangel: “[Personal Accounts Are] One Indicator Of How Vicious And Mean [Bush Administration Officials] Are.” (Meghan Clyne, “Rangel Attacks Social Security Plan,” *The New York Sun*, 4/12/05)

Rangel Said President’s Plan For Social Security Is “Dead.” “Meanwhile, the top Democrat on the House Ways and Means Committee said Bush’s plan to overhaul the Social Security system is ‘dead,’ even before the proposal has been sent to Congress. At the start of the panel’s hearing with Snow, Rep. Charles Rangel, D-N.Y., questioned the seriousness of the White House’s commitment to changing the nation’s retirement system. ‘If you were serious about it, you would have included it in the budget,’ Rangel said.” (William L. Watts and Greg Robb, “Social Security Looms Over Budget,” *CBS MarketWatch*, 2/9/05)

Rep. Sander Levin (D-MI):

Rep. Sander Levin (D-MI): “So Let Me Just Say Clearly, With [Personal Accounts] As The Primary Goal Here Of The Administration, We Stand In Opposition To That ...” (Committee On Ways And Means, U.S. House Of Representatives, Hearing, 5/12/05)

Levin: “A Spoonful Of Artificial Sweetener Won’t Lead Us To Vote For [Personal Accounts].” (Deb Price, “Social Security Proposal Splits GOP,” *The Detroit News*, 5/12/05)

Levin: “We Are Going To Fight. The First Order Of Business Is To Fight Out Whether Social Security Should Be Turned Into A Poverty Or A Welfare Program. ... We Will Not Sit Down And Talk About How To Wreck It.” (Rep. Sander Levin, Press Conference, 5/3/05)

Levin: “We’re Going To Slug It Out With The President And The Republicans Who Want To Turn Social Security Into A Poverty Program.” (James Kuhnenn, “Bush’s Social Security Proposal Widens Partisan Divide,” *Knight Ridder*, 4/30/05)

Levin: “Far From Resolving The Long-Term Challenges Facing Social Security In 40 To 50 Years, The President’s Privatization Would Make It Worse, And Bring About The Dismantling Of Social Security Through Benefit Cuts And Massive Borrowing.” (Deb Price, “Rivals Shape Public Message,” *The Detroit News*, 3/27/05)

Rep. Pete Stark (D-CA):

Rep. Pete Stark (D-CA): “[I]f [Republicans] Can’t Get Something Done With Social Security, Then It Rests On Their Shoulders.” (Committee On Ways And Means, U.S. House Of Representatives, Hearing, 5/12/05)

Stark: The President’s Plan Will “Dismantle The Guarantee Of Social Security And Turn It Over To Speculators In The Market.” (“Stark Is First To Put Video On Congressional Web Site,” *San Francisco Chronicle*, 2/5/05)

Rep. Steny Hoyer (D-MD):

Rep. Steny Hoyer (D-MD): “Democrats, As You Have Seen, Are Seeing, And Will See, Are Absolutely United In Opposition To The Republican Plan To Privatize One Of The Most Important Programs This Country Has Ever Adopted. We’re Going To Fight, You’re Going To Fight, And We Will Be Together.” (Rep. Steny Hoyer, Social Security Rally With Democratic Members Of The House And Senate, 4/26/05)

Hoyer: “If [President Bush] Thought There Was No Fight Left In The Democratic Party, By Golly, He Was Sadly Mistaken!” (Fox News’ “Special Report,” 4/26/05)

Rep. Adam Smith (D-WA):

Rep. Adam Smith (D-WA): “[Democrats] Do Not Have A Plan That We Put On The Table.” (Fox News’ “Hannity & Colmes,” 4/28/05)

Rep. Jim McDermott (D-WA):

Rep. Jim McDermott (D-WA): The President’s Plan “Is As Dead As Disco, As Far As The Democrats Are Concerned ... It’s Not Going To Happen ...” (Committee On Ways And Means, U.S. House Of Representatives, Hearing, 5/12/05)

Rep. Marion Berry (D-AR):

Rep. Marion Berry (D-AR): “[President] Bush Has A Plan And He Intends To Do Away With Social Security ... He Is Selling You A Big Rock.” (Rainer Sabin, “Arkansans In Congress Criticize Bush Plans For Social Security,” *The Associated Press*, 2/25/05)

Rep. Tom Allen (D-ME):

Rep. Tom Allen (D-ME): “[Social Security Is] Not Going Bankrupt. It’s Not Exhausted. It’s Not In Crisis.” (Bart Jansen, “Speech Splits Maine Delegation Along Party Lines,” *Portland [ME] Press Herald*, 2/3/05)

Rep. David Obey (D-WI):

Rep. David Obey (D-WI): “[T]o Take Money Out Of Social Security And Put It Into Private Accounts, I Think It’s Turning The Whole Country Into Las Vegas.” (Rick Olivo, “Obey: Bush Plan Is Threat To Social Security,” *The [Ashland, WI] Daily Press*, 3/28/05)

Rep. Rahm Emanuel (D-IL):

Rep. Rahm Emanuel (D-IL): “Democrats [Will] Stick Together ... ‘Until The President Realizes That Private Accounts Are A Nonstarter.’” (Joel Havemann, “Most Democrats Opt Against Social Security Brainstorming,” *Los Angeles Times*, 5/7/05)

Emanuel: “Well, First Of All, We Want To Be Clear Up Front What The President’s Proposed Is A Non-Starter ...” (NPR’s “Morning Edition,” 3/4/05)

Rep. Ben Cardin (D-MD):

Rep. Ben Cardin (D-MD): “You Don’t Strengthen Social Security By Taking The Money Out Of It.” (Elizabeth Leis, “Edwards Gets Progressive Award,” *The [Annapolis, MD] Capital*, 3/31/05)

Rep. John Dingell (D-MI):

Rep. John Dingell (D-MI): “Our Problem Here Is Less To Save Social Security From Economics Than To Save Social Security From George Bush And His Cutthroats.” (Justin Miller, “Michigan Congressman Criticizes Bush For Stalling On Social Security,” *University Wire*, 3/21/05)

Rep. Maurice Hinchey (D-NY):

Rep. Maurice Hinchey (D-NY): “Social Security Is Not Broke ... It Will Be More Valuable Years From Now If Nothing Is Done To It. Bush Wants To Take Money Out Of The Social Security Trust Fund To Pay For (Private Savings Accounts). How Do You Strengthen The Program By Making It Weaker?” (Ryan Deuel, “Hinchey Hosts Forum In Binghamton,” [Binghamton, NY] *Press & Sun-Bulletin*, 4/12/05)

Rep. Ron Kind (D-WI):

Rep. Ron Kind (D-WI): “The President’s Proposal To Overhaul Social Security Would Drain More Than \$2 Trillion From The Social Security Trust Fund Over The Next Decade, Endangering The Benefits Of Current Retirees And Leaving A Legacy Of Debt To Our Children And Grandchildren.” (Frederic J. Frommer “Wisconsin Lawmakers Split On Bush Social Security Plan”, *The Associated Press*, 2/2/05)

Rep. George Miller (D-CA):

Rep. George Miller (D-CA): “There’s No Pension Plan In America That Can Say That It Can Provide 75 Percent Of Benefits Until 2052 ... I See This As A Scam, Where You Move The Money Of The Working Class To The Financial Markets ...” (Jason Massad, “Miller Blasts Plans For Social Security,” *The [Vacaville, CA] Reporter*, 4/3/05)

Rep. Tom Udall (D-NM):

Rep. Tom Udall (D-NM): “We Are Going Into This Situation With The President Putting Forward, I Think, Basically A Nonstarter.” (Fox News’ “Special Report,” 3/29/05)

Rep. Artur Davis (D-AL):

Rep. Artur Davis (D-AL): “I Certainly Have Made It Very Clear That I Am Opposed To The President’s Plan.” (Ana Radelat, “Ala. Lawmakers Not Sold On Bush’s Social Security Plan,” *Gannett News Service*, 3/8/05)

Rep. Rick Boucher (D-VA):

Rep. Rick Boucher (D-VA): “[President Bush Is] Suggesting There’s A Crisis That Does Not Exist. He’s Using This Phantom Funding Crisis To Justify A Privatization Proposal Which, If There Were A Crisis, Would Only Make It Worse.” (Peter Hardin, “In VA., A Mixed Reaction To Bush,” *Richmond Times Dispatch*, 2/3/05)

Rep. Gene Taylor (D-MS):

Rep. Gene Taylor (D-MS): “It’s About Credibility ... So When This Guy [President Bush] Says, ‘We Have A Crisis In Social Security And Trust Me To Fix It,’ The Credibility Isn’t There.” (Jackie Calmes, “Bush Loses Key Group On Social Security,” *The Wall Street Journal*, 3/14/05)

Rep. Earl Pomeroy (D-ND):

Rep. Earl Pomeroy (D-ND): “The Plan To Change Social Security’s Annual Inflation Adjustment Is By Far The Most Significant Change Being Advanced In The Debate Over Social Security’s Future. ... In My View, It Is The ‘Dirty Little Secret’ Which, Over Time, Arrives At The Reformers’ True Objective: Sharply Reduced Social Security Benefits For Our Children And Grandchildren – Even When The Value Of Their New Private Accounts Is Considered.” (Rep. Earl Pomeroy, “What’s In The Details Of Plans To Reform Social Security,” *Roll Call*, 3/7/05)

Rep. John Salazar (D-CO):

Rep. John Salazar (D-CO): “We Cannot Forget The Lessons That We Learned From Enron: A Retirement That Relied On The Stock Market Is Simply Not A Secure Benefit ...” (Glen Johnson, “Bush Urges Congress To Begin Social Security Action Over Easter Recess,” *The Associated Press*, 3/16/05)

Rep. Michael Michaud (D-ME):

Rep. Michael Michaud (D-ME): “We Have A Health Care Crisis In This Country – Not A Social Security Crisis.” (“Grandson Says FDR Would Oppose Social Security Privatization,” *Associated Press*, 3/1/05)

Rep. Loretta Sanchez (D-CA):

Rep. Loretta Sanchez (D-CA): “I’ve More Important Things To Ask About Than This Silly Social Security Thing.” (“Capital Living,” *The Hill*, 4/20/05)

Rep. Linda Sanchez (D-CA):

Rep. Linda Sanchez (D-CA): “[The President’s Plan For Social Security] Puts Millions Of American Working Families At Risk Of Being Left Out In The Cold During Their Golden Years ... By Using Private Accounts, President Bush Is Gambling With Future Generations’ Security In Order To Line The Pockets Of Wall Street And His Wealthiest Donors.” (Lisa Friedman, “Local Politicos Divided,” [Los Angeles] *Daily New*, 2/3/05)

Rep. Lane Evans (D-IL):

Rep. Lane Evans (D-IL): “There Is No Crisis When It Comes To Social Security ... But It Certainly Will Face One If Privatization Occurs.” (Dori Meinert, “Illinois Lawmakers Split On Bush Speech,” *Copley News Service*, 2/2/05)

Rep. Joe Baca (D-CA):

Rep. Joe Baca (D-CA): “[The President] Wants To Use The Darwin Theory Of Survival Of The Fittest As The Formula For Revamping [Social Security.]” (Lisa Friedman, “Area Reps Laud Talk,” *San Bernardino Sun*, 2/3/05)

Rep. Brian Baird (D-WA):

Rep. Brian Baird (D-WA): “[T]he President’s Proposal On Social Security May Take A Guaranteed Benefit And Turn It Into A Guaranteed Gamble.” (Ellyn Ferguson, “Northwest Lawmakers Have Doubts About Bush Social Security Plan,” *Gannett News Service*, 2/3/05)

Rep. Shelley Berkley (D-NV):

Rep. Shelley Berkley (D-NV): “Latino Families In Southern Nevada Will Be Left Vulnerable By The President’s Proposal To Slash Benefits More Than 40 Percent And By The Plan’s \$5 Trillion Price Tag.” (Juliet V. Casey, “Democrats At Strip Event Blast Social Security Changes,” *Las Vegas Review-Journal*, 3/1/05)

Rep. Allyson Schwartz (D-PA)

Rep. Allyson Schwartz (D-PA) Said The President’s Social Security Plan Would “Really Dismantle Social Security As You Know It’ For Children And Grandchildren, And Would Lead To Great Inequities Among The Generations.” (Robin Toner, “Appeal To Young On Pension Plan Draws The Attention Of Their Elders,” *The New York Times*, 2/23/05)

Rep. Henry Cuellar (D-TX):

Rep. Henry Cuellar (D-TX): “Whether You Want To ‘Participate’ Or Not, You Will See Cuts In Future Benefits By More Than 40 Percent ... If The System Needs More Money, Why Are We Going To Take Money To Fix The Solution?” (Amy Seiford, “Cuellar Discusses Social Security Reform,” *Wilson County [TX] News*, 4/6/05)

Rep. Rosa DeLauro (D-CT):

Rep. Rosa DeLauro (D-CT): “We Are United In Our Commitment To Strengthen Social Security, Not Privatize It. We Will Work To Improve The Retirement Security Of All Americans And Will Oppose Any Scheme For Deep Benefit Cuts Or Massive Debt To Fund Risky Private Accounts.” (Peter Urban, “Democrats Hold Social Security Unity Rally,” [Bridgeport] *Connecticut Post*, 4/27/05)

Rep. Jim Clyburn (D-SC):

Rep. Jim Clyburn (D-SC): “The Largest And Most Sustained Applause Came In The Speech Where [President Bush] Made The Biggest Misrepresentation Of The Facts ... I Don’t Understand Why Those People Sit There And Applaud That. They Know Better.” (Lauren Markoe, “Bush Speech Reached Both Sides Of Argument,” *The [SC] State*, 4/19/05)

Rep. Leonard Boswell (D-IA):

Rep. Leonard Boswell (D-IA): “[P]rivate Accounts Have An Estimated Cost Of Trillions Of Dollars. These Massive Transition Costs Would Come At The Expense Of Social Security’s Solvency.” (Aimee Tabor, “Grassley, Democrats Tangle On Social Security,” *The [Burlington, IA] Hawke Eye*, 4/14/05)

Rep. Debbie Wasserman (D-FL):

Rep. Debbie Wasserman Schultz (D-FL): “Congressman Wexler’s Plan Was Developed And Put Forward Only By Himself ... The Rest Of The Democratic Caucus Is In Lockstep. We Want To Make Sure The Focus Remains On Saving Social Security.” (Diane C. Lade, “Wexler Calls For Higher Social Security Taxes On Top Earners,” *South Florida Sun-Sentinel*, 5/17/05)

Wasserman: “We’ll Talk About Any Option They Want, But Private Accounts Need To Be Set Aside ...” (William Gibson, “Shaw Gains Traction With His Fix For Social Security,” [FL] *Sun-Sentinel*, 4/11/05)

Rep. Stephanie Tubbs Jones (D-OH):

Rep. Stephanie Tubbs Jones (D-OH): “For Minorities In This Country, [The President’s] Privatization Plan Would Jeopardize Protections That Have Come And Continue To Be Of Particular Importance To People Of Color.” (Joyce Jones, “Privatizing Social Security,” *Black Enterprise*, 3/1/05)

Rep. Emanuel Cleaver (D-MO):

Rep. Emanuel Cleaver (D-MO): “Social Security Is A Covenant That Should Not Be Broken ...” (Andre Riley, “Cleaver Speaks On Social Security,” *The [Eastern Jackson County Missouri] Examiner*, 3/24/05)

Rep. Albert Wynn (D-MD):

Rep. Albert Wynn (D-MD): “Social Security Was Designed To Be A Guaranteed Benefit. The Stock Market Is By Definition Risky. It’s An Investment.” (Joshua Partlow and Jay Mathews, “Voters Voice Sentiments On Social Security,” *The Washington Post*, 3/17/05)



MEMORANDUM

TO: CoMPASS Leadership
FROM: *Generations Together* Campaign Team
SUBJECT: Generations Together Campaign Update
DATE: May 18, 2005

Summary of Grass Roots Activities:

- 18 POTUS Events
- 20 Administration Official Events
- 200 Local Visibility Events
- 162 Townhalls
- More Than 42 Teams in 34 States and in 77 Districts
- Additional Activities in Target States\Districts
- Generated over 7,200 Actions\Communications to Target Elected Officials in the Last 2 Weeks

While some of the national media coverage has portrayed a one-sided, anti-reform recess, our experience on the ground tells a very different story. In districts throughout the more than thirty *Generations Together* target states, pro-reform voters were active, vocal, and often outnumbered opponents at public meetings.

Generations Together has generated 968 local media activities

- 181 LTEs
- 87 Opinion Editorials
- 200 Local Visibility Events
- 63 Radio Interviews
- 81 Television Placements
- 475 Print Mentions
- Generated over 7,200 Actions\Communications to Target Elected Officials in the Last 2 Weeks

Presidential Visits

Even before the campaign was officially launched, *Generations Together* was active on the ground during the President's February 16th visit to New Hampshire. The campaign continued to show up at the remaining 17 stops that the President made during the 60 cities in 60 days tour. The Presidential events allowed *Generations Together* to demonstrate our membership publicly and we used the campaign opportunities to identify additional supporters and generate media opportunities. An example of our activity:

Supporters Flood Town Hall Meetings and other local events

During the past 3 Congressional recesses, *Generations Together* drove supportive **attendance at 162 town hall meetings and more than 200 additional events** in targeted states and districts across the country. Supporters ranged from seniors who are confident about their Social Security benefits but concerned about the future of Social Security for their children and grandchildren, to younger workers who know it is in danger and want the option of personal savings accounts.

In total, the campaign pushed **more than 6,100 confirmed reform supporters** to attend and participate in public meetings with their senators and members of Congress.

“Fix Social Security Now” Slogan Highly Visible

The *Generations Together* campaign theme (“*Fix Social Security Now!*”) was on prominent display throughout the recesses as a minimum of **3,500 reform supporters waved signs, and donned buttons and stickers** while attending town halls and other *Generations Together* activities. The attached photos provide a glimpse of this visibility.

Television and print media coverage of the town hall meetings and other events created further awareness of the *Generations Together* campaign as the posters and buttons appeared on the air and in photographs.



Memorandum

TO: PFA & PFA-VF Board Members
FROM: Brian McCabe & Chris Myers
RE: PFA & PFA-VF Social Security Activities (SOTU – May 18th)
DATE: May 18, 2005

PFA has spent \$6.7 million to promote Social Security reform since the State of the Union Address:

TV & Radio: PFA has spent more than \$3.9 million on TV & radio ads.

Phones: PFA has completed 3,678,746 telephone calls to constituents in 52 CDs (27 states).

Mail: PFA has verified the receipt of at least 7,779 personalized letters to key members of Congress.

Internet: PFA ran 1.5 million Internet banner ad impressions targeting college students.

Earned Media: PFA advisors, operatives and/or spokespersons have conducted 539 media interviews.

- **Dr. Tom Saving (SS Trustee)**
 - Traveled to IA, DC, NE, WI, NV & NY where he generated or commented in at least 472 news stories including USA Today, NY Times, Forbes, Washington Post, AP, CQ, CNN, CNBC, NPR, MSNBC, CBS Radio, Chicago Tribune, Reuters & Dow Jones Newswires.
- **Noah McCullough (9 year old whiz kid)**
 - Traveled to AL, KY, TN, AR, NY, LA, SC, IA & TX where he generated or commented in at least 226 news stories including Tonight Show, Today, Fox & Friends, CBS Evening News, MSNBC, U.S. News & World Report and Rush Limbaugh.
- **Rosario Marin (Former U.S. Treasurer)**
 - Traveled to seven states including NM, AZ, CO, FL, DC, CT & PA where she generated or commented in at least 44 news stories including Radio Visa (largest national Spanish radio station) and conducted at least 34 interviews including Univision and TV Azteca.
- **Jim Martin (60 Plus)**
 - Traveled to three states including FL, NJ & PA where he generated or commented in at least 405 news stories, including "Battle Line with Alan Nathan," and Tampa Tribune.
- **Steve Forbes (former presidential candidate)**
 - Traveled to CT, IA & DC where he generated or commented in at least 164 news stories including "Forbes on Fox," ABC, NBC, AP, Des Moines Register and Radio Iowa. Also, hosted CSPAN event, audio briefings and "radio tours" in DC, IA, OK, ND, WV & CT.
- **Leanne Abdnor (For Our Grandchildren)**
 - Traveled to LA, ME & OR where she generated or commented in at least 308 news stories including USA Today, LA Times, AP and ran as top story for 12 hours on Louisiana Live Statewide Radio Network.
- **James Hamilton (For Our Grandchildren)**
 - Traveled to WV & VA where he generated at least 80 radio hits and gave interviews to Richmond Times Dispatch, WTAP-TV, WSAZ-TV and the Parkersburg News & Sentinel.
- **Raj Bhakta (former contestant on The Apprentice)**
 - Appeared on MSNBC and Nebraska News (1,400 affiliates). Also, gave interviews to Omaha World Herald, Randy Renshaw's radio show (IA), WOWO, New Talk 11 (IN).
- **Heidi Neel (For Our Grandchildren)**
 - Generated at least 22 radio hits from interviews.
- **Hayden Fry (former Iowa football coach)**
 - Conducted Iowa audio briefing which generated 6 news stories.
- **Town Hall Meetings & Ostrich Tour**
 - PFA turned out supporters at town halls & organized an Ostrich Tour in 5 states.
- **Television Coverage:**
 - PFA has generated 126 TV stories since the State of the Union address.

- PFA has been quoted or mentioned in 40 TV stories since the SOTU address.
- **Radio Coverage:**
 - PFA generated 5,340 radio hits since the SOTU address.
- **Print Coverage:**
 - PFA generated 155 newspaper stories since the SOTU address.
 - PFA was quoted or mentioned in 641 newspaper stories since SOTU.
- **Editorial Board Visits:**
 - PFA has set up 66 editorial board visits since the State of the Union address.
- **Op Eds:**
 - PFA generated 123 op eds since the State of the Union address.
- **Letters to the Editor:**
 - PFA generated 183 LTEs since the SOTU address.
- **Social Security Events:**
 - PFA has organized 96 events since the State of the Union address.

Field Activities: PFA field operatives in 25 states generated the following earned media activity:

- **Alabama:** Generated 7 TV hits, 2 newspaper articles, 14 ed board visits, 10 op eds, 17 LTEs and 1 event. Also, commented in 23 newspaper articles.
- **Arizona:** Generated 1 TV & 12 radio hits, 13 newspaper articles, 5 ed board visits, 10 op eds, 25 LTEs and 16 events. Also, commented 4 newspaper articles.
- **Arkansas:** Generated 6 TV & 13 radio hits, 10 newspaper articles, 1 ed board visit, 1 op ed, 11 LTEs and 3 events. Also, commented 5 newspaper articles.
- **Colorado:** Generated 1 radio hit, 3 newspaper articles, 4 op eds, 2 LTEs and 8 events. Also, commented 10 newspaper articles.
- **Connecticut:** Generated 18 radio hits, 4 op eds, 1 LTE, 2 events & 38 interviews. Also, commented 6 newspaper articles.
- **Florida:** Generated 3 TV & 13 radio hits, 3 newspaper articles, 2 ed board visits, 5 op eds, 8 LTEs and 3 events. Also, commented 22 newspaper articles.
- **Indiana:** Generated 7 TV & 6 radio hits, 5 newspaper articles, 1 op ed, 2 LTEs and 10 events. Also, commented 1 TV story and 10 newspaper articles.
- **Iowa:** Generated 23 TV & 358 radio hits, 25 newspaper articles, 1 ed board visits, 1 op ed, 1 LTE and 3 events. Also, commented in 5 TV stories and 10 newspaper articles.
- **Kentucky:** Generated 7 TV & 11 radio hits, 1 newspaper article and 7 interviews. Also, commented in 3 TV stories and 3 newspaper articles.
- **Louisiana:** Generated 5 TV & 611 radio hits, 8 newspaper articles, 29 ed board visits, 14 op eds, 8 LTEs and 2 events. Also, commented in 29 newspaper articles.
- **Maine:** Generated 2 TV & 55 radio hits, 2 newspaper articles, 5 ed board visits, 5 op eds, 11 LTEs and 11 events.
- **Montana:** Generated 8 TV & 57 radio hits, 5 newspaper articles, 5 ed board visits, 1 event and 24 interviews. Also, commented in 5 newspaper articles.
- **Nebraska:** Generated 3 TV & 45 radio hits, 3 newspaper articles, 1 ed board visits, 1 op ed and 1 LTE. Also, commented in 5 newspaper articles.
- **New Mexico:** Generated 6 TV & 6 radio hits, 5 newspaper articles, 3 op eds, 4 LTEs, 5 events and 27 interviews. Also, commented in 10 newspaper articles.
- **New York:** Generated 2 TV & 4 radio hits, 10 newspaper articles, 3 ed board visits, 5 op eds, 34 LTEs, 11 events and 105 interviews. Also, commented in 1 TV story and 11 newspaper articles.
- **North Carolina:** Generated 137 radio hits, 8 newspaper articles, 2 ed board visits, 7 op eds, 3 LTEs and 21 interviews. Also, commented in 12 newspaper articles.
- **North Dakota:** Generated 6 radio, 1 newspaper article, 3 events and 31 interviews. Also, commented in 4 TV stories and 6 newspaper articles.
- **Ohio:** Generated 9 radio hits, 5 newspaper articles, 8 op eds, 35 LTEs and 31 interviews. Also, commented in 4 newspaper articles.
- **Oregon:** Generated 31 radio hits, 6 ed board visits, 4 LTEs and 1 event. Also, commented in 1 TV story and 6 newspaper articles.
- **PA/NJ/DE:** Generated 3 TV & 12 radio hits, 8 newspaper articles, 1 ed board visit, 9 op eds, 10 LTEs and 11 events. Also, commented in 5 TV stories and 19 newspaper articles.
- **Texas:** Generated 4 TV & 128 radio hits, 8 newspaper articles and 1 LTE. Also, commented in 14 newspaper articles.
- **Virginia:** Generated 3 TV hits, 2 radio hits, 4 newspaper articles, 4 ed board visits, 6 op eds, 6 LTEs. Also, commented in 1 newspaper article,

West Virginia: Generated 6 TV hits, 94 radio hits, 5 newspaper articles and 4 interviews.

Energy/Jobs



Four years ago, President Bush asked Congress to pass comprehensive energy legislation that produces more energy, conserves more energy, diversifies our energy supply and employs innovative technologies.

The Senate next month will take up a bipartisan energy bill that does all of that.

--The Senate bill conserves more energy and produces more energy than America has ever done before.

--It diversifies America's energy supply so we rely less on fossil fuels and rely more on clean, renewable fuels.

--It employs innovative technologies that produce cleaner and more efficient energy – energy that powers our transportation and heats and lights our buildings while protecting our air, our water and our environment.

Conservation:

- The Senate energy bill sets first-time-ever efficiency standards for large appliances that typically consume a lot of energy, such as commercial washers, refrigerators, air conditioners and ice makers and residential dehumidifiers and torchiers.
- Those standards alone save so much electricity that by 2010, we will need 12 fewer 300-MW power plants. By 2020, the savings will equal the power from 75 new 300-MW power plants. By 2030, we will need 108 fewer new 300-MW plants because of these energy efficiency standards.
- In addition, the bill implements new efficiency standards for utilities and helps states set higher building efficiency standards to save even more electricity.
- The bipartisan energy bill also offers tangible savings in our consumption of oil and gas. By 2015, the energy bill requires the Administration to implement a plan to save 1 million barrels of oil per day.
- The energy bill mandates the use of 8 billion gallons of clean, renewable ethanol each year. That provision, alone will reduce oil imports by 260,000 barrels a day by 2012, according to the Energy Information Agency.
- In addition to saving natural gas in the generation of electricity, the bill further saves an estimated 290 billion cubic feet of gas used in boilers, furnaces, etc., according to the American Council for an Energy Efficient Economy.

Production and Diversification:

- The energy bill coupled with the energy tax package will increase the energy produced from wind, solar and geothermal energy and facilitates the environmentally-sound relicensing of existing hydropower dams for the sustained production of hydropower.
- The bill streamlines the production of oil and gas on federal lands already designated for that purpose.
- The energy bill streamlines the environmentally-sound production of energy on millions of acres of Indian land for Indian tribes that wish to develop their energy resources.
- The energy bill encourages the sustained production of coal – currently America’s greatest source of electricity – by designing and deploying technologies that make coal a clean energy. This includes coal gasification technologies that remove 99 percent of the sulfur and 95 percent of mercury from coal.

Technology:

- The energy bill moves America away from its dependence on foreign oil by investing in the research and development of hydrogen fuel cell cars.
- The bill includes incentives and loan guarantees for innovative and clean technologies such as advanced nuclear reactors, renewable energy systems, hydrogen fuel cell technologies and carbon capture and sequestration.

The bill encourages modernization and expansion of America’s electricity grid to ensure the reliability delivery of electricity to every home and business.

109th Congress

AMERICA'S BUSINESS



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